Saskatchewan Industry and Resources

Saskatchewan Exploration and Development Highlights 2006

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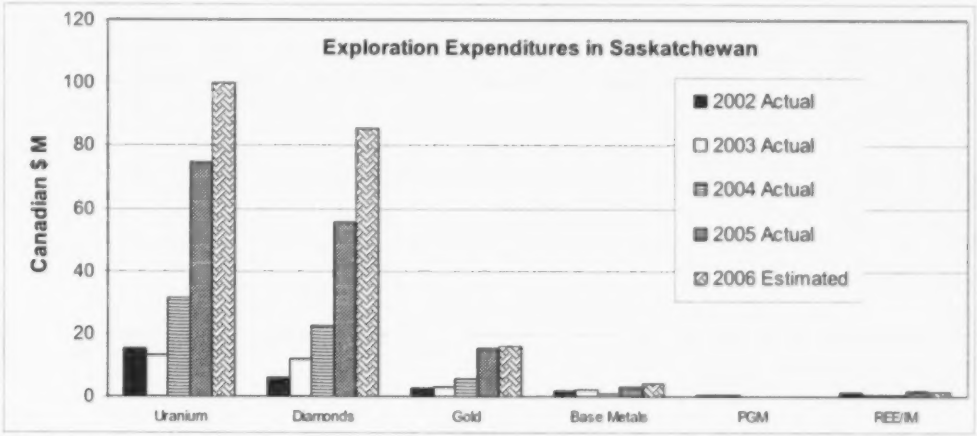
1.0 EXECUTIVE SUMMARY

In 2005, the value of Saskatchewan's mineral sales was about $3.6 billion (B) and it remained the global leader in the production of potash and uranium providing about 30% of the world's supply of each commodity. Gold, copper and zinc, salt, sodium sulphate, aggregate, bentonite, and silica sand were among other mineral commodities produced.

In 2006, it is estimated that about $208 million (M) will be spent on mineral exploration in Saskatchewan. This level of expenditures represents an all-time record in terms of current year dollars and continues a substantial year-over-year increase marked by actual expenditures of $31.5 M in 2003, $60.8 M in 2004, and $150 M in 2005 (Figure 1). These expenditures reflect significant upturns in exploration activity for uranium, diamonds, base and precious metals, and industrial minerals.



	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006e
Uranium	8.1	7.3	11.1	12.5	16.8	27.3	22.4	14.0	17.7	14.0	15.4	13.3	31.2	74.6	100.2
Diamonds	4.2	11.1	10.1	3.8	5.7	2.3	1.1	1.4	4.1	4.8	6.1	12.0	22.4	55.4	85.6
Gold	5.5	2.2	3.8	8.4	7.4	3.5	2.8	1.0	0.7	1.0	2.5	2.9	5.7	15.3	16.2
Base Metals	3.8	4.0	4.0	4.0	4.7	10.1	3.6	5.6	4.5	1.4	1.9	2.2	0.9	2.9	4.3
PGE (1)	—	0.1	—	—	—	—	0.1	0.9	1.0	0.1	0.6	0.5	0.1	0.0	0.0
REE, IM (2)	—	0.2	0.1	—	0.3	—	0.2	0.8	0.1	1.6	1.3	0.7	0.5	1.8	1.9
Total	21.6	24.9	29.1	28.7	34.9	43.2	30.2	23.7	28.1	22.9	27.8	13.6	60.8	150.0	208.2

(1) Platinum Group Elements
(2) Rare Earth Elements, Tantalum, Industrial Minerals

Figure 1 – Mineral exploration expenditures in Saskatchewan. Data in histogram compare actual expenditures for 2002, 2003, 2004, and 2005 with estimates (e) for 2006 which are compiled from the annual survey of exploration expenditures by the Saskatchewan Geological Survey. Tabulated data from 1992 to 2005 are actual values reported in the same survey. All values in millions of Canadian dollars ($ M).

Front Cover: Klaus Lehnert-Thiel, Ph.D., P.Eng., P.Geo., recently retired as Vice President Exploration of Golden Band Resources Inc. This photo, taken in 2004 in the Waddy Lake area, shows Klaus collecting one of nearly 10,000 till samples processed for gold grain recovery using the in-field method he developed. Klaus' bulk till sampling has led to the discovery of two gold deposits for Golden Band (Memorial and Birch Crossing) and another dozen or so gold prospects and/or gold-in-till dispersion trains. Since 1969, Klaus has explored throughout Saskatchewan for gold, uranium, diamonds, and base metals. He was involved in the discoveries at Key Lake, Maurice Bay, and Maybelle River (uranium), and Fort à la Corne (diamonds). Cover photo of Klaus Lehnert-Thiel courtesy of Golden Band Resources Inc.

As of September 30, 2006, there were 5,634 active mineral dispositions, totalling 10.3 M ha, issued pursuant to *The Mineral Disposition Regulations, 1986*. This is 25% more area than was under disposition at the end of December 2005. The increase in the amount of land under Crown mineral tenure continues to be a good barometer for the increased mineral exploration activity in the province.

In the Northern Mining District, 536 new mineral dispositions covering 2.2 M ha have been issued in 2006. This included six mineral prospecting permits covering 0.26 M ha. Virtually all of the new dispositions were within, or adjacent to, the Athabasca Basin, and were acquired for uranium exploration. In the Southern Mining District, 1,528 new mineral dispositions covering 1.7 M ha were issued. The majority of these lands were acquired for diamond exploration in areas peripheral to the Fort à la Corne diamond region to the east of Prince Albert, and also in a second cluster to the northwest of Prince Albert, between Green Lake and Big River.

In the Athabasca Basin, the world's premier exploration district for high-grade uranium deposits, it is estimated that about $100.2 M will be spent on exploration in 2006, a significant rise from the 2005 figure of $74.6 M. A steady rise in the spot market price of uranium, since a near-historic low at the end of 2000, reflects ongoing concerns about potential supply shortages; these concerns have been heightened by recent production shortfalls at various operations throughout the world. Major programs are those of producers Cameco Corporation (Cameco) and AREVA Resources Canada Inc. (AREVA), and junior UEX Corporation (UEX). Close to 100 companies or individuals held 1,938 mineral dispositions covering 7.5 M ha of the Athabasca Basin area at the end of September 2006. Exploration successes continue to be reported, underlining the prospectivity of the Basin. This was highlighted by the 2006 discovery, at the AREVA-operated Midwest Project, of the Mae zone, 3 km northeast of the Midwest deposit.

In 2006, expenditures for diamond exploration are forecast to be about $85 M, up significantly from actual total expenditures of $55.4 M in 2005. There are two advanced-stage diamond exploration projects underway in the Fort à la Corne forest, 60 km east of Prince Albert. Shore Gold Inc.'s (Shore) Star Kimberlite Project is undergoing a $60 M, pre-feasibility study that includes additional underground bulk sampling, diamond drilling, large diameter (1.2 m) drilling, and engineering studies to be completed by the end of 2007. On the adjacent ground of the Fort à la Corne Joint Venture (FALC-JV), which contains most of the kimberlites in the Fort à la Corne area, a stepped-up exploration program budgeted at $43.2 M is underway. The FALC-JV underwent a major ownership change in late September 2006. Shore, through its wholly owned subsidiary Kensington Resources Ltd. (Kensington), purchased all of De Beers Canada Exploration Inc., Cameco's, and UEM Inc.'s interests in the FALC-JV; subsequently Shore sold a 40% interest in the property to Newmont Mining Corporation of Canada Ltd. The net result is that Kensington has a 60% interest in FALC-JV and is the operator of the joint venture property. In addition to Fort à la Corne, companies are exploring for diamonds near the Primrose Air Weapons Range in west-central Saskatchewan, in southern and southwestern Saskatchewan, east-central Saskatchewan, and in the Foster Lakes region on the Precambrian Shield.

In 2006, gold exploration expenditures are estimated to rise slightly to $16.2 M compared to actual expenditures of $15.3 M in 2005. These expenditures reflect resurgence in the price of this precious metal which has ranged between US$525 and US$735 per ounce of gold (oz. Au) during 2006. Although there was some work in the Goldfields area near Uranium City, most activity was in the La Ronge and Glennie domains, which form parts of the Reindeer Zone of the Trans-Hudson Orogen. Both of the domains contain several gold showings including, in the case of the La Ronge Domain, some former producing mines. At Claude Resources' Seabee gold mine and mill, production in 2006 is forecasted at 48,000 oz. Au. Mill expansion is underway and bulk sampling is continuing at the nearby Santoy Lake and Porky Lake projects. This ore will contribute to production by year end. In the La Ronge Gold Belt, Golden Band Resources been strengthening its property portfolio, and has continued to define resources in the Waddy Lake area. In the north, GLR Resources continued development of their resource model at the Goldfields Project near Uranium City.

Increasing prices for copper, zinc, and nickel renewed interest in exploration for the base metals. Hudson Bay Mining & Smelting (HBMS), a subsidiary of HudBay Minerals (HudBay) has optioned some of their Saskatchewan properties to Murgor Resources. A new joint venture between Foran Mining and Copper Reef Mines will lead to new exploration at McIlvenna Bay and Manicouagan Minerals has resurrected exploration at the Brabant Lake deposit after purchasing it from Boart-Longyear. In the far north, Red Dragon Resources, continued their exploration program at the Axis Lake Ni-Cu project and optioned the property to Pure Nickel.

In 2006, Great Western Minerals Group (GWM) released a NI 43-101 compliant resource estimate for the JAK rare earth element deposit at Hoidas Lake in northwest Saskatchewan. This estimate did not include the results from a promising 22 hole drill program completed during the 2005-06 winter on the northern extension of the JAK Zone. In late 2005, GWM, through its wholly owned subsidiary Great Western Technologies Inc., acquired and now operates a specialty metals manufacturing plant in Troy, Michigan, and thus gained access to the North American specialty metals market. As well, GWM will have an operating processing facility for Hoidas Lake ore if the project proceeds to production.

High potash prices and increasing demand world wide in 2005 spurred renewed interest in potash exploration and, by September 2006, 16 potash exploration permits covering more than 850 000 ha had been issued and more were pending. A major announcement was made in June 2006 by Anglo Minerals Ltd., through its wholly owned subsidiary, Prairie Potash Corp., that it had entered into a joint venture agreement with BHP Billiton Diamonds Inc. (BHP), the world's largest mining company, to explore the Jansen Lake potash property near the existing Lanigan potash mine. BHP will spend $40 M over a 5.5-year period and earn up to 60% interest in the property.

During the summer of 2006, Whitemud Resources Inc. carried out additional drilling to further refine the size and grade of their Gollier Creek kaolin deposit. In late September, Whitemud held a sod-turning ceremony to announce its plan of constructing a $50 M metakaolin processing plant and open-pit mine near the village of Wood Mountain.

2.0 INTRODUCTION

This paper is a review of current activity only. *Geology, and Mineral and Petroleum Resources of Saskatchewan* (Saskatchewan Geological Survey, 2003) provides a comprehensive summary of the Economic Geology of the province, including historical reserve and production data. Sources for up-to-date information on all Saskatchewan mineral occurrences are the Saskatchewan Geological Atlas (Slimmon, 2005) and the Saskatchewan Mineral Deposits Index (Bennett, 2005). Versions of both are available at the Saskatchewan Industry and Resources website (http://www.ir.gov.sk.ca).

Current exploration expenditure forecasts are compiled from the annual survey of exploration expenditures by the resident geologists of the Northern Geological Survey Branch, Saskatchewan Industry and Resources. Actual annual expenditures for previous years are from the same survey. Grade, tonnage, reserve, and resource data reported herein are from a variety of public sources, including published reports, public records, corporate websites, and Saskatchewan Mining Association *Facts Sheets*. These data do not necessarily conform to current CIM standards and National Instrument 43-101 of the Canadian Securities Commission (NI 43-101). The Department of Industry and Resources and the Government of Saskatchewan do not accept liability for any errors, omissions or inaccuracies that may be included in, or derived from, this report.

This document is an attempt to capture relevant information current as of October 30, 2006. Due to the current rapid pace of exploration for uranium, diamonds, and gold, it is inevitable that significant new developments have occurred since printing.

Tables 1, 2, and 3 contain data on the current mineable reserves and geologic resources for the major uranium, gold, and base metal deposits in the province, respectively. The back page is a colour map with the locations of all of the major deposits discussed herein. The map also shows the outline of the tectonic provinces and lithostructural domains of the Precambrian Shield in northern Saskatchewan.

3.0 THE ENERGY AND MINERALS SECTOR

Energy and mineral resources are a cornerstone of the provincial economy. The non-renewable resources, including petroleum, coal, and metallic and industrial minerals, are the most important primary industrial sector. They accounted for 13.4% of the provincial GDP in 2005 compared to 7.0% for agriculture and forestry (Figure 2).

Saskatchewan is the second-ranking Canadian jurisdiction in oil production, the third-ranking in both gas and coal, and the fourth-ranking in gross, non-fuel mineral production. Combined oil and gas sales were over $8.7 B in 2005, providing approximately $1.4 B in total government revenue. In 2006, petroleum prices and associated government revenue are expected to be lower due to a small decrease in average prices.

In 2005, the oil industry drilled 2,011 wells and invested $1.9 B in the province. The gas industry was also very active in 2005, drilling 1,791 wells and

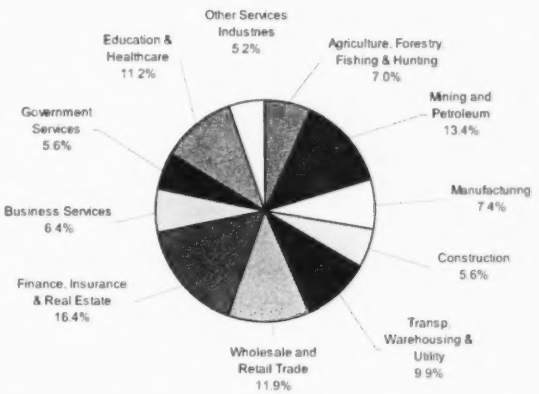

Other Services Industries 5.2%
Education & Healthcare 11.2%
Agriculture, Forestry, Fishing & Hunting 7.0%
Government Services 5.6%
Mining and Petroleum 13.4%
Business Services 6.4%
Manufacturing 7.4%
Construction 5.6%
Finance, Insurance & Real Estate 16.4%
Transp. Warehousing & Utility 9.9%
Wholesale and Retail Trade 11.9%

Figure 2 – 2005 percentage of GDP by sector (1997, $34.20 B, Statistics Canada).

investing about $320 M in exploration and development.

In 2005, industrial and metallic mineral sales were valued at nearly $3.6 B and generated over $340 M in direct Crown revenues. It is expected that sales values and government revenue in 2006 will be lower, primarily due to a decrease in potash sales. Metallic mineral production in 2005 included uranium, gold, copper, zinc, and silver. Industrial mineral production included potash, aggregate, silica sand, salt and sodium sulphate, and minor bentonite and structural clay. Figure 3 shows the value of the province's non-renewable resources in 2005.

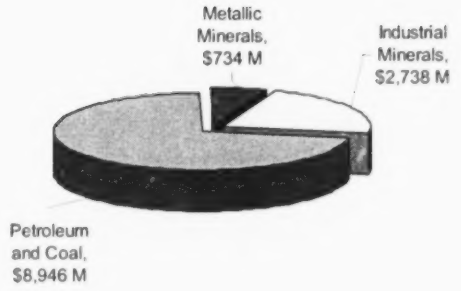


Figure 3 – 2005 value of non-renewable resources (Industry and Resources, Mines Branch).

The mines of the Athabasca Basin in northern Saskatchewan, and the Prairie Evaporite in central Saskatchewan, continue to be the world's most important suppliers of uranium and potash respectively. In 2005, Saskatchewan produced 100% of Canada's uranium from three operations, and accounted for approximately 29% of world output. Saskatchewan produced 95% of Canada's potash from 10 underground operations, including two solution mines, and accounted for about 30% of world production.

The province will continue to be a world leader in these industries. Tax changes in 2004 to encourage new potash production and high demand brought on announcements of over $570 M in capital spending by the potash industry. In 2005, uranium exploration was an all-time high and several deposits have shown potential for future development.

Saskatchewan's energy and minerals sectors will continue to contribute a significant proportion of the provincial GDP; however, with potential lower prices in the petroleum and potash sectors, non-renewable resources will likely contribute a slightly smaller portion of Saskatchewan's GDP in 2006.

4.0 URANIUM

4.1 Overview of Production and Exploration

Uranium mining continued at two operations in 2005-06, the Eagle Point Mine at Rabbit Lake and the McArthur River Mine, and was re-initiated at the McClean Lake Mine. Ore from the Eagle Point Mine was processed at the Rabbit Lake Mill and that from McArthur River at the Key Lake Mill. Stockpiled Sue C ore as well as new ore from Sue A was processed in the Jeb Mill at McClean Lake. Construction at Cigar Lake has been hampered by two separate floods, the second of which has delayed start up indefinitely.

Global uranium industry leaders Cameco and AREVA operate all of the aforementioned mines and processing facilities and control most of the identified resources in the Athabasca Basin. Cameco is also developing greater exposure to down-stream profits in the power industry with a 31.6% interest in the Bruce Power Limited Partnership. Bruce Power is responsible for power generation from four Bruce B reactors and two Bruce A reactors. Together, the six Bruce reactors will supply about 20% of Ontario's electricity.

Production, reserve, and resource numbers are summarized in Table 1. Uranium production for 2005 totalled 30.19 M lb U_3O_8, up slightly from the 30.1 M lb U_3O_8 produced in 2004. This reflects a small ramp-up in production at Rabbit Lake and a small production shortfall at McClean Lake. There was production from three operations in 2005. The McClean Lake operation continued to mill stockpiled ore from the Sue C deposit, while mining of the Sue A orebody began in the summer of 2005, followed shortly thereafter by the mining of the Sue E orebody. Operator AREVA has applied to expand the Jeb Mill at McClean Lake to receive Cigar Lake ore. The McArthur River Mine remained the world's largest producer, producing its licensed capacity of 18.7 M lb U_3O_8. McArthur ore was blended with low-grade mineralized waste rock stockpiled at Key Lake, before being milled at that facility. The Eagle Point underground mine, at Rabbit Lake, continues to operate and new reserves are still being delineated.

The spot price for uranium continued its rise in 2006, reaching US$56/lb U_3O_8 by October 11, 2006 (Figure 4), up US$23 over a one year period. This dramatic rise reflects mounting concerns about pending supply shortages as caused by the increased global use of nuclear energy to generate electricity, particularly in Asian markets.

Table 1 – Published reserves and resources for uranium deposits in Saskatchewan at the end of 2005.

Owner(s)*	Property/Deposit	Reserves (M lbs U_3O_8) (Unstandardized)	Grade $\%U_3O_8$	Production (M lbs U_3O_8) 2005***	2006****
	RESERVES**				
Cameco Corporation	Rabbit Lake; Eagle Point Mine	11.0	1.30	6.0	5.9
Cameco Corporation – AREVA Resources Canada Inc.	Key Lake	0.7	0.52		
Cameco Corporation – AREVA Resources Canada Inc.	McArthur River P2N	389.1	24.28	18.7‡	18.7‡
Cigar Lake Mining (Cameco Corporation – AREVA Resources Canada Inc. – Idemitsu – TEPCO)	Cigar Lake	231.5	19.06	–	–
AREVA Resources Canada Inc. – Denison – OURD	McClean Lake, *in situ* and stockpiled	12.7†	0.8†	5.49	4.0
AREVA Resources Canada Inc. – Denison – OURD	Midwest	41.7†	5.47†	–	–
	RESOURCES				
Cameco Corporation	Rabbit Lake; Eagle Point Mine	7.5	0.59	–	–
Cameco Corporation – AREVA Resources Canada Inc. – JCU	Dawn Lake	12.9	1.69	–	–
Cameco Corporation – AREVA Resources Canada Inc.	McArthur River P2N	16.6	9.33	–	–
UEM (Cameco Corporation – AREVA Resources Canada Inc.) – JCU	Millennium	45.8†	4.63†		
AREVA Resources Canada Inc. – Denison – OURD	McClean Lake	23.6†	1.2 †		
AREVA Resources Canada Inc. – Denison – OURD	Midwest	42.9†	5.50†		
Cigar Lake Mining Corp. (Cameco Corporation – AREVA Resources Canada Inc. – Idemitsu – TEPCO)	Cigar Lake††	118.2	16.92	–	–

Notes:

* Operator first.

** Data in this table do not necessarily conform to the current legal definition of reserves and resources by CIM. Resources are measured and/or indicated unless otherwise specified. Data are from a variety of public sources including published reports, public records and corporate. Data for different deposits are not necessarily comparable.

*** 2005 production figures are from company releases and the Cameco Corporation annual report.

**** 2006 production is forecast from figures in the Cameco Corporation and Denison Mines annual reports.

† Reserve and resource numbers provided by AREVA Resources Canada Inc.

‡ Combined production from Key Lake and McArthur River ore.

†† Inferred resource.

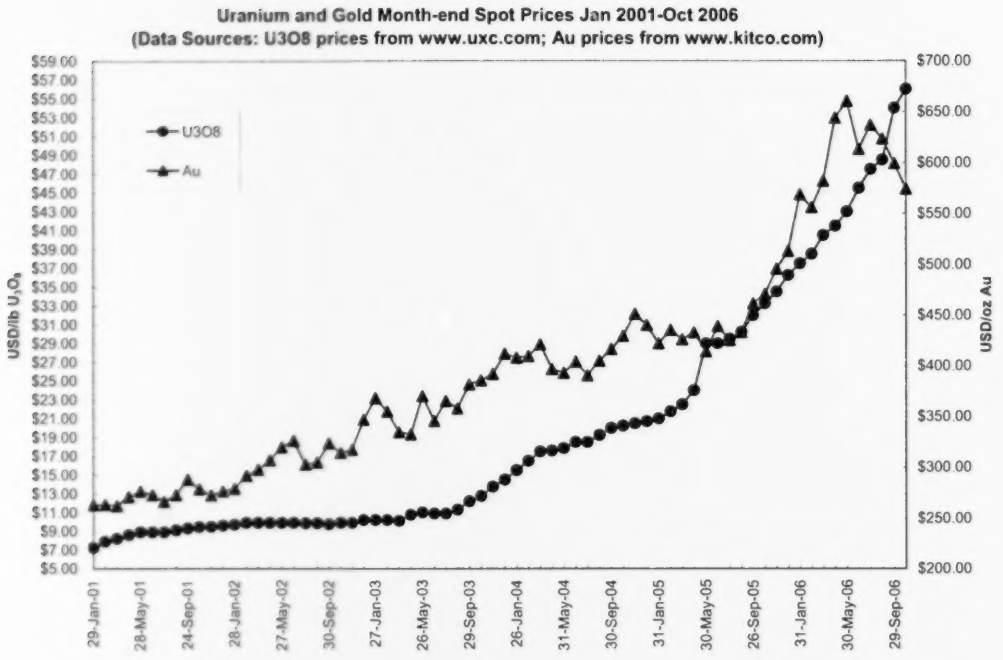


Figure 4 – Month-end spot uranium and gold price, January 2001 to September 2006.

Staking activity continued to be vigorous in 2006, with over three-quarters of the Athabasca Basin now under disposition and numerous exploration projects situated in adjacent areas. More than three dozen companies are actively exploring for uranium and new participants continue to arise. Most of this activity is in the eastern part of the Athabasca Basin where the major deposits are located (see map on back page); however, following new exploration successes, the west part of the Basin has become the focus of new staking and grass roots exploration programs. Many of the programs are joint ventures. The largest programs are operated by Cameco, AREVA, and junior UEX Corporation. Cameco, one of the most active explorers of the Basin, is undertaking a spectrum of programs ranging from greenfields reconnaissance exploration to advanced delineation work. In February 2005, Formation Capital Corporation's Canadian subsidiary Coronation Mines Ltd., a junior partner (2% interest) with UEM (50% Cameco – 50% AREVA), announced a significant uranium intercept on the Virgin River property west of Cree Lake. Cameco, who operates the Virgin River project, tested the Dufferin Lake fault with two diamond-drill holes. DDH VR-18 had three intersections, the most significant of which was near the unconformity at 791.1 m depth and returned 5.83% U_3O_8 over 6.4 m, including 2.5 m at 13.86% U_3O_8. Three new pilot holes were drilled in 2005 and two, VR-19 and -21, intersected mineralization. Wedge-cuts off VR-18 and -21 encountered good intersections, the highlight being VR-18W2, which contained 8.39% U_3O_8 over 3.9 m.

At the Eagle Point Mine, brownfield exploration programs were re-started in 2003 after a 10-year hiatus and recent drilling delineated zones for additional reserves. Cameco increased the reserves at Eagle Point in 2005 and continued exploration has identified new zones that will be incorporated in the mine plan.

The Millennium deposit, a new discovery announced at the end of 2002, entered the pre-feasibility stage in 2006. The deposit is part of the Cree Extension Project, partnered by Cameco, AREVA, and JCU, and is located southwest of McArthur River. Reports suggest it contains an indicated resource of 45.8 M lb U_3O_8 at 4.63% with an inferred resource of 11.2 M lb U_3O_8 at 1.81%. The discovery was the result of a persistent drill follow up of regional clay alteration zones and geochemical anomalies, with target delineation by sophisticated EM and gravity surveys.

Cameco has followed up a successful 2005 drilling program at the Collins Creek prospect, part of the Dawn Lake joint venture, with 18 drill holes. The best reported intersection was 11% eU_3O_8 over 9 m. A pre-feasibility study carried out at Dawn Lake indicated that development of the deposit is currently uneconomic.

AREVA also completed both greenfields and mine-area exploration in 2005-06. They continue to search for deposits on the McClean Lake property in the hope of increasing reserves. They are also the operator of a joint

venture with UEX in the west part of the Athabasca Basin. UEX signed an agreement with AREVA to gain a 49% interest in 10 of AREVA's west Athabasca properties, including Shea Creek. To date, they have earned 24.5 % interest in those properties through expenditures of over $15 M. This expenditure far outstrips the originally agreed upon expenditure schedule that would have required $4 M by the end of 2006. The highlight of the joint venture is the Shea Creek property where the Anne and Colette deposits had been previously discovered. Although follow-up drilling has succeeded in increasing the width of the basement- and sandstone-hosted Anne deposit to 100 m along a 250 m strike length and identifying basement-hosted mineralization at the Colette deposit, the highlight has been the delineation of the Kianna Deposit between the previously known zones of mineralization. A directional cut off discovery hole SHE-114, SHE-114-5, intersected 27.4% U_3O_8 over 8.8 m including 58.32% over 3.5 m, 30 m above the unconformity. Furthermore, directional cut SHE-114-11 intersected 5.4% U_3O_8 over 37.7 m 100 m into the basement, including 25.46% U_3O_8 over 4 m. This was in addition to an intersection above the unconformity in the same cut of 5.83% U_3O_8 over 13.7 m. SHE-114-11 represents the first directional cut off SHE-114 that has intersected both perched and basement mineralization. New pilot hole SHE-118 intersected 8.6 m at 5.62% U_3O_8 just above the unconformity. More directional drilling is planned at Kianna.

UEX has many additional uranium projects either 100% owned, joint-ventured or under option. On the east side of the Basin, another of UEX's major programs was focussed on its 56 418 ha Hidden Bay property southwest of the historic Rabbit Lake deposits. UEX's partner and project operator, Cameco, initiated a 101 sonic drill hole program in order to establish a NI 43-101compliant resource for the West Bear deposit in early 2005. The best drill results to date have returned 4.9% U_3O_8 over 10.1 m, including 8.1% over 5.5 m from UEX-026, and 2.9% U_3O_8 over 7.5 m in UEX-031. The resulting resource estimate was 1.4 M lb U_3O_8 at 1.385%. UEX believes that West Bear, one of the shallowest, undeveloped uranium deposits in the Athabasca Basin at depths of 13 to 31 m, is economic and to that end is continuing to solidify its resource estimate. At the Raven and Horseshoe deposits, UEX reported results from the first 16 holes of their phase 2 program that aims to establish a NI 43-101 resource. This drilling returned a best ever intersection of 4.53% U_3O_8 over 12.35 m. The Raven-Horseshoe mineralization occurs between 156 and 257 m depth and has a historic resource, not compliant with NI 43-101, of 23 M lb U_3O_8 at an average grade of 0.16%.

In the northern part of the Basin, UEX planned an eight diamond drill hole, 6000 m program for the Riou Lake property to follow up on radioactive springs, and a drill intersection of 0.44% U_3O_8 over 0.10 m. In 2004, drilling on the Black Lake property, on which AREVA holds a 30% interest, resulted in discovery hole DDH BL-18, which intersected 0.7% U_3O_8 over 4.4 m, including a maximum grade of 1.96% U_3O_8 over 0.5 m. Based on this intersection, UEX and AREVA completed 34 drill holes and identified a mineralized basement wedge in BL-82 that included a 0.50% U_3O_8 over 3.3 m. Follow-up drilling and geophysics were planned for the property.

On September 18, 2006, Denison and IUC announced a merger agreement, pending shareholder approval, to create a mid-tier uranium producer. In addition to a strong international portfolio of exploration properties, the new company, called Denison Mines Ltd., would hold Denison's 22.5% interest in McClean Lake and its associated reserves and resources, Denison's 25.17% interest of Midwest and the newly discovered Mae zone, and IUC's White Mesa Mill in Utah. A new estimate for the Midwest deposit, 20 km west of the McClean Lake mine, suggests that it contains a reserve 41.7 M lb U_3O_8 at 5.47% and a resource of 42.9 M lb U_3O_8 at 5.50%, as well as an economic nickel resource. Denison's exploration highlight for 2006 was from the Mae zone, 3 km north of the Midwest deposit. Their joint venture partner and project operator AREVA continued to report promising drill intersections of 6.25% U_3O_8 over 7.1 m, 11.67% U_3O_8 over 7.7 m, and 1.14% U_3O_8 over 17.7 m. Intersections of 31.3 m at 3.21% eU_3O_8 and 23.2 m at 1.26% eU_3O_8 were reported from 2006, follow-up -60° to -65° drill holes.

IUC is also an active explorer in the Athabasca Basin. In the southeastern part of the Basin, work continued at the Moore Lake joint venture with JNR Resources. In August 2005, IUC announced they had earned 75% interest in the project. The 2005 drill program at the Maverick Zone yielded more favourable results, that build on 2004 successes, highlighted by DDH ML-61 from which a 10 m intersection of 4.03% U_3O_8, including 1.4 m at 19.96% U_3O_8, was reported. Step-out and along-strike drilling have expanded the length and width of the Maverick zone. Highlights from the Maverick Zone were: 1.81% U_3O_8 over an 11.1 m intercept, including 5.64% U_3O_8 over 3 m, in DDH ML-83; and 2.0% U_3O_8 over 7.75 m in DDH ML-100. In addition, drilling on the "527" and "525" zones northeast of the Maverick Zone on the Moore Lake property has returned mineralized intersections. At the 527 zone, ML-101, collared 5 m from the ML-527 discovery hole, returned 1.53% U_3O_8 over 6.6 m. Weak mineralization has been encountered in two holes at the 525 zone, 1400 m northeast of the Maverick zone.

Pitchstone Exploration Ltd. and their joint venture partner SXR Uranium One announced that they had encountered widespread radioactivity near the unconformity at their Waterfound property and WF07 contained a narrow intersection of 0.18% U_3O_8. They have also completed three holes on their Darby-Candle project, encountering weak radioactivity at Candle.

In another amalgamation, Vancouver junior Hathor Exploration Ltd. acquired Roughrider Uranium Corp., and the latter's interest in several properties. This includes the Russell Lake property, where a number of geophysical surveys, including a 2-D seismic survey, have been completed or are in progress. Other junior companies have been

actively exploring in the Athabasca Basin. The main focus of this activity has begun to shift from geophysical surveys to diamond drilling. Several companies have initiated or completed drill programs in the western Athabasca Basin, including Triex Minerals, Titan Uranium, ESO Uranium Corp., and Dejour Enterprises. Triex completed four holes at their West Carswell property. The holes, which encountered the unconformity below 700 m, intersected promising structural zones and areas with promising pathfinder elements and weak radioactivity. Triex is also active in the eastern Athabasca Basin at Mann Lake and Pasfield Lake. Titan has initiated drilling south of the Carswell structure but has reported no results. ESO has encountered weak mineralization in two drill holes from the northwest Carswell structure, with a maximum grade of 0.82% U_3O_8 over 1 m. Both holes were collared in the vicinity of historic drill hole Car 425, which contained 0.85% U_3O_8 over 2.5 m. Dejour completed 15 drill holes in the western Basin, the majority of which reached basement. Although they intersected no mineralization, they reported weak radioactivity in several of their holes as well as elevated pathfinder elements.

Several new drill programs have been completed in the eastern Athabasca Basin. CanAlaska Uranium has completed several holes at their West McArthur joint venture with Mitsubuishi, with the best results from WMA-004, which contained 0.28% U_3O_8 over 0.2 m. They have also commenced drilling at their Waterbury project. Forum Uranium has encountered weak mineralization at their Costigan Lake project, south of Key Lake and the margin of the Basin. The best intersection was 0.43% U_3O_8 over 0.36 m, 100 m from surface. Strathmore Minerals completed eight holes at their Waterbury projected, encountering an anomalous uranium intersection in one of the holes at 280 m below surface. Purepoint Uranium completed 12 drill holes at their Turnor Lake property and report elevated radioactivity and promising alteration near the unconformity at 185 m. United Carina have completed four holes at the Hatchet Lake property. They reported disrupted basement and alteration.

4.2 General Geology

Following the 1968 initial discovery at Rabbit Lake in northeastern Saskatchewan, and discoveries in the early 1970s at Key Lake and Cluff Lake, an integrated model for a new class of high-grade uranium deposit termed *unconformity-type* was developed (Hoeve and Sibbald, 1978). With the discovery of still larger and higher grade deposits like Cigar Lake and McArthur River, and the continual advancement of sophisticated exploration models (Wheatley *et al.*, 1996), the Basin continues to be the premier exploration district for world-class uranium deposits (Thomas *et al.*, 2000).

Most of the major known deposits are within a northeast-trending belt more than 100 km long in the eastern part of the Athabasca Basin. The *ca.* 1.7 to 1.5 Ga Athabasca Group is a post-Trans-Hudson Orogen succession, made up mostly of quartz-rich sandstone. The total preserved thickness is estimated to be 1500 m, with an additional several hundred metres of siltstones and carbonates evident only in the Carswell Structure in the western part of the Basin. The Athabasca Group unconformably overlies gneisses of the Taltson Magmatic Zone and Rae Province in the west, and gneisses of the Hearne Province in the east, including the dominantly metasedimentary rocks of the *ca.* 2.1 to 1.87 Ga Wollaston Supergroup.

Uranium ore is generally focussed at or near the basal unconformity of the Athabasca Group. Proximity of ore to graphite-bearing pelitic gneiss in the basement is a common spatial association. All deposits are structurally controlled. They occur along reactivated basement shear zones, generally in reverse faults, that intersected or were focussed in graphitic lithologies. In over thirty years since the introduction of the unconformity model, debate continues as to the relative importance of the unconformity, structure, graphite-bearing units in the basement, and fluid mixing for optimal ore deposition and concentration.

Mineralogically complex, polymetallic ore is characteristic of deposits developed at the unconformity, and mineralogically simple, monometallic ore is characteristic of basement-hosted deposits and deposits perched above the unconformity (Thomas *et al.*, 2000). The highest grade ore typically occurs in massive lenses, which straddle the unconformity. Extensive alteration haloes penetrate both the Athabasca Group and crystalline basement. Hydrothermal alteration assemblages include chlorite, tourmaline, hematite (several episodes), silica, and dolomite (*e.g.*, Hoeve, 1984). Regional-scale, clay-alteration zones of illite are common along the major structures that controlled ore deposition and are an important exploration criterion (*e.g.*, Sopuck *et al.*, 1983).

There is general consensus that mixing of oxidizing supergene and reducing basement fluids played an important role in metal deposition. The extremely high grades of the deposits are the product of prolonged fluid activity along long-lived structures. Numerous hydrothermal events have introduced, remobilized, and re-concentrated uranium. There are published ages for metal deposition *ca.* 1540 to 1300 Ma at McArthur River (*e.g.*, Cumming and Krstic, 1992) and for metal deposition and/or remobilization/concentration between 1380 and 330 Ma at all of the major deposits and *ca.* 1280, 1000, 575, and 225 Ma throughout the Basin (*e.g.*, Kotzer and Kyser, 1990).

4.3 Major Deposits

4.3.1 McArthur River Mine/Key Lake Mill

Key Lake Mill: Cameco Corporation, operator (83.333%) and AREVA Resources Canada Inc. (16.667%).
McArthur River Mine: Cameco Corporation, operator (69.805%) and AREVA Resources Canada Inc. (30.195%).

Current Activity: In 2005, production at McArthur River/Key Lake was 18.7 M lb U_3O_8, the licensed capacity of the Key Lake Mill. Cameco has applied for an increase in annual licensed capacity at Key Lake to 22 M lb.

History and Setting: Potentially economic uranium mineralization was first encountered by Cameco at McArthur River in 1988. Delineation of the deposit by surface diamond drilling was completed by 1992. Underground exploration began in 1993. In 1997, joint Federal-Provincial approval was granted to begin mine construction. Mining began in December 1999. The first shipment of primary ore slurry was processed at Key Lake in January 2000. By 2001, annual production reached 17.5 M lb U_3O_8.

McArthur River is the largest high-grade uranium deposit in the world, with proven and probable reserves of 389.1 M lb U_3O_8 and an average grade of 24.28% U_3O_8. Grades within the orebody reach 70% U_3O_8 locally, and composite grades of 30% U_3O_8 over several metres thickness are common. Uranium ore is structurally controlled by the P2N reverse fault, which dips 45° to 60° to the southeast and has a 70 m average vertical offset of the Athabasca Group unconformity. Ore is hosted within Athabasca Group sandstone, the fault zone, and basement pelitic gneiss of the Wollaston Supergroup.

Mining and Processing: Non-entry raise-bore mining (Figure 5) is the sole method being used at McArthur River. Line-of-sight remote controlled equipment is used to minimize workers' exposure to radiation. High-grade ore is comminuted in a grinding system on the 640 m level, pumped to surface as mud-like slurry, and stored in tanks until being loaded into specially designed containers for the 80 km truck haul to Key Lake.

Before processing, the primary-ore slurry is blended with stockpiled, low-grade mineralized waste from Key Lake, and dry-hauled, low-grade ore (0.03 to 2.0% U_3O_8) from McArthur. An average head grade of about 4% U_3O_8 is sought to control radiation exposures in the mill and to maximize mill recovery rates. The old Deilmann Pit of the Key Lake Mine is used for tailings disposal.

Figure 5 – Drilling a raise-bore pilot hole at McArthur River Mine. Photo courtesy of Cameco Corporation.

4.3.2 Cigar Lake

Cameco Corporation, operator (50.025%); AREVA Resources Canada Inc. (37.100%); Idemitsu Uranium Exploration Canada (7.875%); and TEPCO Resources Inc. (5.0%).

Current Activity: Under the terms of a surface construction license, granted by the Canadian Nuclear Safety Commission (CNSC) in the summer of 2004, site preparation work continued at Cigar Lake. In December 2004, the CNSC granted a full construction license. Construction began on January 1, 2005 and was expected to take 27 months. In early April 2006, water inflow from a drill hole flooded the second shaft, which is used for underground ventilation. This set back was expected to delay mine start up by six months, and add an additional $70 M to the start-up capital cost. A second influx of water in late October 2006, this time in the production area, could not be contained and flooded all of the mine's underground workings. After developing a strategy to gain access to the mine, Cameco will reassess the mine's production timetable and additional capital costs. Annual production was estimated at 18 M lb U_3O_8 with a first-phase mine life of 15 years predicted. Total capital cost to put Cigar Lake into production

was estimated at $450 M, which includes building surface and underground facilities and changes to the McClean Lake and Rabbit Lake mills. Following flooding in April, that cost was estimated at $520 M. Although no new cost estimate has been given following October's flood, it is expected to rise.

Overall, three separate but integrated projects must all be taken to completion before underground production at Cigar Lake can commence:

- Minesite construction, including production and ventilation shafts.
- Regulatory approval for safe disposal of waste rock in the McClean Lake SUE C pit.
- Regulatory approval to increase annual capacity of the JEB mill at the McClean Lake Mine to 12 M lb U_3O_8.

History and Setting: Cigar Lake was discovered in 1981 by COGEMA Canada Ltd. Following delineation of the deposit by a 170 hole diamond drill program in 1985, ownership was transferred to the Cigar Lake Mining Corporation. Phase I test mining was completed in 1993, and Phase II test mining, which commenced in 1997, was completed late in 2000. Cameco became the operator of the Cigar Lake Project at the end of 2001, and will continue as mine and mill operator, under the guidance of the Cigar Lake Joint Venture Management Committee with company representation as per ownership.

Cigar Lake is the world's second largest high-grade uranium deposit with total proven and probable reserves of 231.5 M lb U_3O_8 at an average grade of 19.06% U_3O_8. Total inferred resources are 118.2 M lb U_3O_8 at an average grade of 16.92% U_3O_8. Unlike McArthur River, the Cigar Lake deposit occurs exclusively above the Athabasca unconformity. Host rocks are conglomerate and sandstone of the Manitou Falls Formation. The deposit is above a topographic rise in the basement surface, which coincides with a structurally controlled basement mylonite zone composed of augen-textured graphite- and sulphide-bearing sillimanite-cordierite-garnet pelitic gneiss of the Wollaston Supergroup. The main ore body is a massive pod about 2150 m long along the unconformity and about 430 m below surface. The high-grade eastern part of the orebody is up to 100 m wide and 20 m thick. There is intense proximal clay alteration and silica bleaching, and an extensive regional clay alteration envelope.

Mining and Processing: Mining at Cigar Lake will be done in two phases. Phase I will extract the high-grade eastern part of the orebody and will last for 15 years. After a three year phase-in, the optimal annual production is targeted at 18 M lb U_3O_8. Phase II will extract the remaining, lower grade part of the orebody. It will last for approximately 25 years, with targeted annual production lowered to 6 M lb U_3O_8.

Access to the underground workings is by the No. 1 shaft. A second shaft will provide alternative access and will be the exhaust outlet for the primary ventilation system. Phase II mining will require a third shaft. Drifts will be developed on two levels in basement rock beneath the orebody. The ore will be frozen and mined in panels from the upper production level using a jet-boring, non-entry method. The ore will be slurried and pumped to the surface through pipes installed in the secondary containment unit within the No. 2 shaft.

An application was filed in 2002 to process all of the primary ore slurry from Cigar Lake at the McClean Lake concentrator (JEB Mill), operated by AREVA. If successful, the Rabbit Lake facility, operated by Cameco, would receive 57% of the pregnant solution from McClean Lake for further processing and production of yellow-cake, a proportion originally agreed upon for the primary ore.

4.3.3 Rabbit Lake

Cameco Corporation, operator (100%)

Current Activity: The Eagle Point Mine completed its third full year of production in 2005, following the re-opening midway through 2002. Production in 2005 was 6 M lb U_3O_8, up from 5.4 M lb U_3O_8 in 2004. The Rabbit Lake Facility is now the longest running uranium mining-milling operation in Saskatchewan. Reserves as of December 31, 2005 were 11 M lb U_3O_8 at 1.3%, of which 2.8 M lb U_3O_8 was delimited during 2005 exploration. That ore is targeted to feed the mill facility until the start up of the Cigar Lake Mine.

History: The Rabbit Lake Deposit was discovered in 1968, and in 1975 became the first deposit in the rapidly emerging Athabasca Uranium District to be put into production. After it was exhausted in 1984, the pit was turned into a tailings facility and mining shifted to the Collins Bay B Zone and D Zone deposits. All open-pit operations were suspended in 1994, but were re-activated on the A Zone Deposit between 1995 and 1997, and on the D Zone Deposit between 1995 and 1996. Underground operations at the Eagle Point Mine commenced in 1991 and continued until 1999 when all mining activity at Rabbit Lake was suspended. Processing of stockpiled ore continued until depletion in 2001. After a one-year care and maintenance, the Eagle Point Mine re-opened.

Mining and Processing: Total production from the original Rabbit Lake Deposit was 41 M lb U_3O_8 at an average grade of 0.32% U_3O_8, with peak annual production of 5.3 M lb U_3O_8 obtained from processing ore grading around 0.47% U_3O_8. Once depleted, higher grade ore from the underground Eagle Point Mine was typically blended with stockpiled lower grade ore from the B and D deposits in order to maximize mill recovery. Production increased from 7.5 M lb U_3O_8 in 1994 to 12 M lb U_3O_8 in 1997. Production in 2005 was 6.0 M lb U_3O_8.

4.3.4 McClean Lake

AREVA Resources Canada Inc., operator (70%); Denison Mines Inc. (22.5%); and OURD (Canada) Co. Ltd. (7.5%).

Current Activity: Milling of stockpiled Sue C ore and newly mined ore from Sue A fed the JEB mill at the McClean Lake Operation in 2005. Total production in 2005 was 5.49 M lb U_3O_8, down from 6.0 M lb U_3O_8 produced in 2004. In 2006, mill feed will comprise Sue A ore and stockpiled SUE C ore. Production was expected to be 4.0 M lb U_3O_8. As of December 2005 reserves, including stockpiled Sue C, Sue A and B, and Sue E were 12.7 M lb U_3O_8 with an average grade of 0.8% U_3O_8. Resource estimates Caribou Lake pod, SUE D and McClean North suggest an additional 23.6 M lb U_3O_8 that may be extracted in the future. Expansion of the JEB mill began in the second quarter of 2005. In order to process Cigar Lake ore, a capacity increase from 8 M lb/year U_3O_8 to the currently licensed 12 M lb/year U_3O_8 is required.

Mining ore at Sue C was completed in February 2002. The Sue C orebody provided 650 000 t of ore at just over 2.6% U_3O_8 to produce 36.4 M lb U_3O_8. The Sue A orebody was open-pit mined beginning in 2005, and was mined out by the end of 2005. Excavation of the Sue E orebody, just to the south of the Sue C pit, began in September 2005.

Exploration of the McClean Lake property, including additional drilling of the Sue E orebody and the surrounding Wolly property, continues. Exploration was completed west of the Sue trend near Bena Lake, where 3024 m were drilled during the summer months. This was mainly concentrated in the Caribou Lake area 2 km northwest of the Sue C pit where high-grade intersections were obtained in 2002. In the light of strong prices, both open pits and underground are being considered for many of the deposits on the property including the Caribou and McClean deposits. Mining using blind-boring/jet-boring techniques continues to be tested at McClean Lake. The operator hopes that these techniques might improve the health and safety, and radiation protection performance, and result in less environmental impact for small, high-grade deposits, and may be more economically attractive. Test mining has commenced at the McClean North deposit.

4.3.5 Midwest Property

AREVA Resources Canada Inc., operator (69.16%); Denison Mines Inc. (25.17%); and OURD (Canada) Co. Ltd. (5.67%).

Current Activity: AREVA Resources Canada Inc. successfully addressed the safety and environmental concerns identified following the first EIS review process for the Midwest Mining Project in 1991. Following project approval from the joint federal-provincial panel in 1998, a detailed review of the Midwest project was initiated to optimize production. New exploration commenced at the Midwest Property in the winter of 2005 with encouraging results. AREVA provided reserve and resource estimates of 26.7 M lb U_3O_8 at 7.1% U_3O_8 and 5.8 M lb U_3O_8 at 2.1% U_3O_8, respectively, for this publication. A deposit study commissioned by Denison yielded a NI 43-101 compliant reserve estimate of 41.7 M lb U_3O_8 at 5.47% U_3O_8 and a resource of 33.9 M lb Ni at an average grade of 4.35% Ni. A further resource of 42.9 M lb U_3O_8 at 5.50% U_3O_8 is predicted.

The Midwest Deposit is slated for development within the next decade to provide additional ore for the McClean Lake mill complex. The deposit is concentrated in a 200 m long zone below south McMahon Lake. An application has been made to develop an open-pit mine at the site with site preparation targeted for 2008. Targeted annual production in a new mine plan published by Denison Mines indicated production of 4.4 M lb U_3O_8 per year for nine years.

5.0 GOLD
5.1 Overview

Gold exploration in Saskatchewan continued to be strong in 2006 driven in part by high commodity prices. The price of gold is currently around US$590/oz. and peaked in April/May to US$722/oz. The interest in gold exploration during 2006 is reflected in the exploration expenditures, which are expected to top $16 M. Most exploration is concentrated in the La Ronge and Glennie domains, except for the Goldfields project in the Beaverlodge Domain, and the Simmie placer gold project 50 km south of Swift Current.

Golden Band Resources continued their exploration programs in the La Ronge Gold Belt moving towards production in the near future. They acquired 100% ownership of the Jolu Mill and are constantly expanding and evaluating the existing deposits in the area.

Claude Resources' Seabee Mine produced 44,600 oz. of Au in 2005 and production for 2006 is expected to exceed 48,000 oz. of Au. Claude continued exploring satellite projects to the Seabee mine with drilling and bulk sampling of the Porky West and Santoy 7 underway. GLR Resources contracted the services of Wardrop Engineering to do the feasibility study for their Goldfields Project. GLR is also doing in-fill drilling on the Athona deposit to get a more reliable reserve calculation for that deposit and bring it into the feasibility study.

Wescan Goldfields is currently drilling their Fork Lake property which includes the DMZ, Jasper, Deep Jasper, JN, and Roxy zones. The company announced that they intend to acquire 100% ownership of the Jojay gold deposit.

5.2 Gold Exploration
5.2.1 La Ronge Domain
5.2.1.1 Waddy Lake and Bingo Projects

Golden Band Resources (100%).

Golden Band continued their exploration program focussed on expansion and grade calculation of resources for the known deposits in the Waddy Lake area, and in-fill drilling at the Bingo Project during 2006.

Most of the 2006 Waddy Lake drilling occurred on the following prospects and deposits:

- **EP zone**: This is a narrow, high-grade deposit located 200 m east of the Komis deposit. It is associated with subvertical extensional quartz veins and a sub-horizontal shear zone within a flat, south-dipping, intermediate dyke, 2 to 5 m thick that intruded andesitic volcanic rocks. Previous drilling returned values of up to 215 g/t Au over intervals of 0.1 to 0.55 m. Recently, 16 vertical holes (483.4 m) were drilled at 7.5 m spacing. Two of the holes returned grades of 316 g/t Au over 1.4 m and 271 g/t Au over 2.6 m. The company intends to combine this high-grade mineralization with other deposits as potential feed for the Jolu Mill.
- **Birch Crossing deposit** (Figure 6): Is located within the 600 m wide and 30 km long, east-west–striking Byers Fault Zone, which is characterized by multiple displacements within the metavolcanic and intrusive host rocks. Birch Crossing was discovered by Golden Band as a very strong gold-in-till anomaly in 2003. It was initially tested by drill holes K-61 and -62 in 2004, 13 holes (BC-01 to -13) in 2005, and another 18 holes (BC-14 to -31) during December 2005 and January 2006. Sixteen more holes were drilled in February to March 2006 from which grades [illegible] to 32.17 g/t Au over 2.2 m were obtained. Follow-up drilling was done this summer with results pending.
- **Halfmoon prospect**: Thirteen holes were drilled with intersections of up to 1.3 g/t Au over 14.5 m.
- **Kruger Lake prospect**: Four holes were drilled with grades up to 4.3 g/t over 2 m.
- **New targets**: Two holes at Burnt Rock prospect; 19 holes (1542.8 m) at Charlie's Eye prospect with grades from 4.74 g/t over 6.2 m to 44.85 g/t over 0.6 m; and 11 holes at the Dog Creek Bay prospect with the best result being 1.23 g/t Au over 5.4 m.

Figure 6 – Golden Band's Birch Crossing deposit winter drilling.

Golden Band now has 100% ownership of the Golden Heart deposit, which together with Tower, Memorial, and Komis deposits have measured and indicated resources totalling 734,420 oz. Au.

The Bingo Deposit resources were updated to an estimated indicated mineral resource of 22 900 t grading 13.8 g/t Au at a cut-off of 5 g/t over a minimum width of 1.3 m. An additional 136 500 t averaging 12.74 g/t Au is classified as inferred.

5.2.1.2 Fork Lake Project (Jasper Gold Mine)

Wescan Goldfields Inc. (100%).

Westcan entered Phase III of its exploration of the Jasper deposit in 2006, with 3600 m of drilling completed to evaluate the potential of the Deep Jasper (DJ) zone. The DJ Zone extends at least another 50 m along strike from what was previously reported, and has now been tested by wide spaced drilling over a strike length of 250 m and to a vertical depth of 250 m. This drilling phase also intersected two new gold-rich footwall zones, the JN Footwall Zone and JN East Zone. These new zones are parallel to and are approximately 75 and 150 m east of the DJ Zone respectively, and represent future exploration targets. Grades from the DJ zone are up to 32.99 g/t over 0.3 m. Wescan also tested the DMZ zone, a structure located 400 m east of the Jasper shear zone, at approximately 200 m depth. They intersected a 127 m interval that hosts several shear zones containing local quartz veining, up to 0.15% Cu and with anomalous gold locally.

During summer 2006, a 9500 m drilling program was completed to test: 1) the continuation of the Deep Jasper and Roxy zones to the northeast; 2) the continuation of the JN-footwall and JN-East zones along strike and at depth; and 3) the continuation of the zones intersected along the Transect zone. Results are not yet available.

5.2.2 Beaverlodge Domain

5.2.2.1 Goldfields Project

GLR Resources Inc. (100%)

GLR contracted the services of Wardrop Engineering to write the feasibility report for the project and also to review the NI 43-101 compliant resource estimate. The feasibility study indicated that 4000 t per day at an estimated grade of 1.8 g/t Au would result in an annual production rate in excess of 60,000 oz. A revised mineral resource calculated by Wardrop for the Box deposit was increased by 225,000 oz. Au, to 687,000 oz. Au using a cut-off of 0.5 g/t Au.

In the summer, GLR announced a major drilling program on the Athona deposit in order to bring it up to NI 43-101 standard and include it in the feasibility study. Initial results from this drilling yielded grades of 1.01 g/t Au over 29 m, including 1.78 g/t over 10 m to 1.61 g/t Au over 10 m, including 3.93 g/t Au over 3 m.

5.2.3 Glennie Domain

5.2.3.1 Seabee Mine Area Exploration

Claude Resources Inc. (100%).

Claude continues to evaluate the potential of targets surrounding the Seabee mine. Up to 20 000 m of surface drilling was directed towards delineating the Porky Lake and Santoy Lake satellite deposits along strike and down dip, as well as pursuing four new targets: Pigeon, Afgan, Fox/Shane, and Runway North. The Porky Lake area, located 3 km north of the Seabee mine, consists of shear zone hosted mineralization proximal to the hinge area of the regional Porky Lake anticline. The Santoy 7, Santoy 8, and 8 East zones are located about 14 km east of the Seabee mine. Mineralization is hosted in silica-rich shear zones with sulphide-chlorite-quartz veins and silicified granitoid sills.

The Porky mineralized zone was extended 500 m westward based on 4830 m of drilling in 17 new holes. The summer exploration program focussed on definition drilling of Porky West and Santoy 7 mineralized zones. Drilling was also planned for Santoy 8 and Shane targets, and other zones delineated by soil/rock geochemical sampling and prospecting.

The 2006 winter drill program on the Shane Property consisted of twelve diamond drill holes totalling 2940 m. Notable returns included 6.11 g/t Au over 2.87 m, 7.91 g/t Au over 4.16 m, and 8.21 g/t Au over 2.99 m. Three holes

Table 2 – Published reserves for select gold deposits in Saskatchewan.

Ownership (at closure, if mined out - operator first; at present if deposit not yet mined)	% Share	Mine or Deposit	Reserves (t)	Total Production (oz.)	Grade g/t	oz./ton
		MINED OUT OR TO DATE				
Cameco Corporation Starrex Mining Corporation Ltd. Uranerz Exploration and Mining Ltd.	50 35 15	Star Lake Mine 21 & Rush zones[1]	182 291	76,947	14.7	0.43
Westcan Goldfields Inc.	100	Jasper Mine[1]	140 127	82,697	18.8	0.55
Corona Corporation International Mahogany Corporation	30 70	Jolu Mine Rod & Mallard[1]	472 220	203,751	14.4	0.42
Claude Resources Inc.	100	Seabee	3 130 000	742,000 [2]	7.95	0.23
Cameco Corporation	100	Contact Lake Mine Bakos zones[1]	1 304 000 [3]	188,210	8.00	0.23
Golden Band Resources Ltd.	100	Komis		26,885 [4]		
GLR Resources Inc	100	Box Mine		64,066		
Pamon Gold Mines–O.G. Macdonald	100	Prince Albert	4 882			
		RESERVES				
Claude Resources Inc.	100	Seabee Mine	684 000 [5]		6.55	0.19
GLR Resources Inc.	100	Box & Athona	17 334 000		1.92	0.056
Kristo Gold	100	Anglo Rouyn Mine	1 300 000 [6]		0.55	0.016
		RESOURCES				
Golden Band Resources	100	Corner Lake	181 818		13.3	0.39
Golden Band Resources	100	Bingo	22 900		13.80	0.40
Cameco Corporation	100	Contact Lake (Bakos zone)	92 000		7.5	0.22
Claude Resources Inc.	100	Seabee	1 500 000 [5]		8.86	0.26
Claude Resources Inc.	100	Porky West	90 000 [5]		7.33	0.21
Claude Resources Inc.	100	Porky Main	160 000 [5]		7.50	0.22
Claude Resources Inc.	100	Santoy 7	190 000 [5]		8.42	0.25
Claude Resources Inc. Cameco Corporation Husky Oil	35 32.5 32.5	Laural Lake	210 000		15.0	0.44
Golden Band Resources Ltd.	100	Niko (Kaslo)	166 036		4.87	0.14
Golden Band Resources Ltd.	100	Tower East	4 787 100		2.07	0.06
Golden Band Resources Ltd.	100	Golden Heart	4 486 400		1.8	0.05
Radcliffe Resources Inc.	100	'North' Lake	2 360 000		2.4	0.07
Golden Band Resources	100	Twin Zone	351 000		6.2	0.18
Golden Band Resources Masuparia Gold Corp	49 51	Greywacke	328 000		9.26	0.27
Golden Band Resources	100	Komis	919 283		4.04	0.12
Golden Band Resources	100	Memorial	288 378		2.83	0.08
Wescan Goldfields Inc.	100	Jojay	313 000		9.0	0.264

Notes:

Data in this table do not necessarily conform to the current legal definition of reserves and resources by CIM. Resources are measured and/or indicated unless otherwise specified. Data are from a variety of public sources including published reports, public records, corporate websites, and Saskatchewan Mining Association *Facts Sheets*. Data for different deposits are not necessarily comparable.

[1] Mined out
[2] Production to September 30, 2006
[3] Published reserves at start-up 1995
[4] At suspension of mining January 1997
[5] February 1, 2006
[6] Anglo Rouyn Mine tailings also contain 1.97 g/t (0.058 oz/ton) Ag, 0.15% Cu and 4.5% magnetite

were drilled at Pigeon Lake to test extent of the mineralized zone, and returned 9.4 g/t Au over 8.04 m (6.19 m true width) in one hole.

5.2.4 Phanerozoic: Miocene/Eocene Placer Gold

Endurance Gold Corporation acquired the Simmie Gold Project, comprising seven claims covering unconsolidated conglomerates and sands of the Miocene/Eocene Cypress Hills Formation. A 1990 regional geochemical survey by the Saskatchewan Research Council and Cameco in southwest Saskatchewan focussed on mapping the distribution of kimberlite indicator minerals in surficial deposits. Gold grain counts were also done on all of the samples, which yielded up to 468 grains of detrital gold. Those values are anomalous when compared to the background value of five to 10 grains. In 1996-97 Consolidated Pine Channel carried out an extensive sampling program area, which confirmed the anomalous values (up to 258 ppb Au) found previously. Claude Resources optioned the property in 2003 and excavated two trenches and collected 22 samples with values up to 184 ppb Au. The gold occurs in the sandy matrix of the Cypress Hill Formation conglomerates. Endurance planned a field program including ground penetrating geophysical surveys to map the basal contact of the conglomerate, followed by a program of large diameter churn or reverse circulation drilling to determine the gold content of the basal horizon.

5.3 Gold Production

5.3.1 Seabee Mine

Claude Resources Inc. (100%).

Seabee Mine is currently the only producing gold mine in Saskatchewan. The mine is located 120 km north-northeast of La Ronge in the central part of the Glennie Domain. Commercial production began in December of 1991 with a total mineral inventory of approximately 586 000 t grading 12.5 g/t Au (*in situ*, undiluted proven plus probable "reserves"). An additional possible "reserve" of 333 000 t was estimated at that time. Exploration and development at the mine has more than replaced the resources outlined at the start of production. Between December 1991 and the end of September 2006, approximately 3 130 000 t of ore at an average grade of 7.95 g/t Au have been processed through the Seabee plant recovering 742,000 oz. Au (Table 2). The Seabee gravity–cyanide leach processing system recovered an average 92.6% of the Au. The proven and probable reserves at the Seabee Mine, as of the beginning of 2006 are estimated to be 684 000 t grading 6.55 g/t Au (diluted) (Table 2). Additional inferred resources at the Seabee mine site amount to 1 500 000 t grading 8.86 g/t Au.

In 2005, the mine produced 44,600 oz. from 236 000 t milled at a grade of 6.32 g/t Au. Production in the first nine months of 2006 was 187 700 t milled at a grade of 6.42 g/t Au, for a total yield of 36 100 oz. Total production is expected to be 48,000 oz. for 2006.

6.0 BASE METALS

6.1 Overview

Base metals exploration activities in Saskatchewan during 2006 increased with new claims being staked throughout the northern part of the province. Most of the operations are located in the Flin Flon VMS belt and in the Hanson Lake area. Base metals exploration is also being carried out in the Wapawekka Lake area, in the noritic sills of the Tantato Domain (Axis Lake and Currie Lake), in the metasedimentary rocks of the Wollaston Domain, and in the Kisseynew-Glennie Domains (Brabant Lake and Anglo-Rouyn areas).

Most of the exploration was driven by the rise in the base metal prices shown below:

Commodity	US$/lb Oct. 2005	US$/lb Sept. 2006
Copper	1.8709	3.43
Lead	0.4531	0.632
Zinc	0.676	1.519
Nickel	5.7716	14.41

Manicouagan Minerals Inc. acquired the Brabant Lake Property from Boart-Longyear and is planning 3000 m of drilling and ground geophysics this winter. Murgor Resources optioned three HudBay properties in Saskatchewan (Fon Deposit, Abbot Lake Deposit, and Tyr property) and plans to spend $3.8 M over four years. Red Dragon

optioned their Axis Lake/Currie Lake nickel property to Pure Nickel Inc. Foran Mining Corporation announced that they had reached agreements on the status of the McIlvenna Bay Deposit.

6.2 Base Metals Exploration

6.2.1 Flin Flon Domain: Cu-Zn VMS Deposits

In the first half of 2006, HudBay drilled two holes on the Fon Deposit. Hole Fon 448 contained 7.23% Zn (72.69 g/t Ag) over 0.15 m, and hole Fon 457 contained 3.36% Cu and 5.79% Zn (52.46 g/t Ag) over 0.37 m.

Foran Mining reached an agreement with Copper Reef Mines (1973) Ltd. concerning the McIlvenna Bay deposit, and formed a joint venture, for which Foran will be the project operator. The McIlvenna Bay deposit consists of massive and stringer sulphide zones conformably hosted by a variably altered felsic volcanic succession beneath the northern edge of the Phanerozoic cover.

6.2.2 Glennie Domain: VMS Deposits

Golconda Resources Ltd. drilled two holes on the Wapawekka Lake project to test airborne electromagnetic anomalies. Hole WWL-1 was drilled to a depth of 1210 feet (369 m) and intersected a "layered gabbro complex". The anomaly was apparently caused by overlying clay-rich lake sediment.

6.2.3 Kisseynew Domain: Cu-Zn VMS Deposits

Manicouagan Minerals from Quebec acquired the Brabant Lake (MacKenzie or PEG) Zn-Pb-Cu-Ag deposit from Boart-Longyear and is waiting for a NI 43-101 compliant report being done by MPH Consulting Limited to confirm the inferred resources of the property. The company plans to survey the area using HLEM and drill 3000 m on the property this winter. The polymetallic deposit is located approximately 1.2 km north of Brabant Bay and 1.6 km southeast of Highway 102. The deposit area is underlain by a series of northeast-trending paragneisses, including pelitic, amphibolitic, calc-silicate, and felsic gneisses and interlayered pegmatite.

6.2.4 Wollaston Domain: Metasedimentary Rock-hosted Deposits

Winnipeg's Wildcat Exploration Ltd. started their surface exploration program at Foster Lake including detailed geological mapping and sampling, prospecting, and structural mapping of the known prospects. Wildcat hopes to discover economic Broken Hill-type Zn-Pb-Ag mineralization on the property. The property contains five Pb-Zn showings, as well as Cu and Ag showings. The company also expanded their property by staking two new claims in the Foster Lake area, which include the Robyn Lake and Mackie Lake showings.

6.2.5 Rottenstone Domain: Copper-Nickel Sulphide Deposits

The Rottenstone Mine produced 26 057 t of ore between 1965 and 1969, which averaged 3.28% Ni, 1.83% Cu, and 9.63 g/t PGM+Au. The deposit consisted of dense, net-textured, disseminated, and rare massive Ni-Cu sulphides enriched with platinum-group metals. It is hosted within a harzburgite-orthopyroxenite sill which crosscuts a pelitic migmatite unit. Exploration of the Rottenstone copper-nickel deposit in central Rottenstone Domain remained dormant in 2006.

6.2.6 Tantato Domain: Copper-Nickel Sulphide Deposits

Red Dragon Resources optioned its Axis Lake Project to Pure Nickel Inc. (80% earn-in interest) in May 2006 after completing VTEM survey that identified 40 anomalous areas, followed by soil geochemistry survey in 2005. Pure Nickel carried out a drilling program totalling 2342 m of a planned 4000 m program. Widespread nickel-copper mineralization was intersected in all of the seven drill holes. The highest values were in hole No.1, which returned

0.92% Ni and 0.40% Cu over 1.18 m. The Axis and Currie lakes deposits are hosted by noritic sills. Published historic resources are 3 402 000 t grading 0.60% Cu and 0.60% Ni, and 47 536 t grading 0.79% Ni, respectively.

6.3 Base Metal Production

To October 1, 2006 there has been no base metal production from Saskatchewan. Current base metal reserves and resources are summarized in Table 3.

6.3.1 Callinan Mine

HudBay Minerals Inc. (100% subject to 6.67% NPI with Callinan Mines Ltd.)

In 2005, base metals production in Saskatchewan was exclusively from the Callinan Deposit, which consists of three east-plunging zones (South, East, and North) within a sequence of rhyolitic rocks that are likely equivalent to the host rock ("mine rhyolite") of the Flin Flon Mine. Only the upper part of the Callinan North Deposit extends into Saskatchewan. Saskatchewan production for 2005 was 669 t of ore grading 0.948% Cu, 3.181% Zn, 0.86 g/t Au, and 9.48 g/t Ag from the North Zone lens. Total 777/Callinan production in 2005 was 1 093 683 t grading 2.239% Cu, 4.468% Zn, 2.09 g/t Au, and 23.83 g/t Ag.

Table 3 – Published reserves for select base metal deposits in Saskatchewan.

Owner (s) *	Property	Reserves and Resources (Tonnes)	Cu %	Zn %	Pb %	Ni %	Co %	Au g/t	Ag g/t
MINEABLE RESERVES									
Foran Mining	McIlvenna Bay	14 500 000	0.91	6.08	0.40	–	–	0.45	23.70
HudBay Minerals Inc.	Callinan (Sask Portion)	364 160	1.21	3.15	–	–	–	1.55	19.06
HudBay Minerals Inc.	Konuto Lake	235 889	3.90	1.40	–	–	–	2.10	8.60
GEOLOGICAL RESOURCES									
Leader Mining International Inc.	Knife (Mokoman) Lake	20 000 000	0.74	–	–	–	–	–	–
Claude Resources	Elizabeth Lake	4 985 938	0.73	–	–	–	–	–	–
Manicouagan	Brabant/PEG	4 857 851	0.57	5.19	0.28	–	–	0.22	–
Murgor Resources Inc.	FON Zone	4 650 307	–	4.60	–	–	–	–	–
Pure Nickel/Red Dragon	Axis Lake	3 402 000	0.60	–	–	0.60	0.15	–	–
North-Sask Ventures Ltd.	George Lake	2 630 880	–	3.67	0.53	–	–	–	–
Foran Mining	Schotts Lake	1 983 850	0.61	1.35	–	–	–	–	–
Foran Mining	Bigstone Lake	1 451 000	2.90	–	–	–	–	–	–
		308 000	-	11.2	–	–	–	–	–
Shane Resources	Brownell Lake	1 251 900	0.56	1.75	–	–	–	–	–
Pure Nickel/Red Dragon	Currie Lake	47 536	–	–	–	0.79	–	–	–

Notes:
* operator listed first
Data in this table do not necessarily conform to the current legal definition of reserves and resources by CIM. Resources are measured and/or indicated unless otherwise specified. Data are from a variety of public sources including published reports, public records, corporate websites, and Saskatchewan Mining Association *Facts Sheets*. Data for different deposits are not necessarily comparable.

7.0 PLATINUM GROUP METALS

Platinum group metals (PGMs) occurrences and showings are primarily found in the Peter Lake Domain, where they are associated with: the Swan River Complex, a partly layered gabbroic intrusion; the Porter Bay Complex, an intrusive complex with well-preserved layering and varitextured gabbros; and in the Haglund Lake area. PGM showings also occur in the Rottenstone Lake area, in the Patzer Lake area, and in the area west of the Mooney Island on the west shore of the Reindeer Lake.

Platinum and palladium prices peaked between late April and early May 2006 when they reached US$1283/oz. and US$395/oz., respectively. Currently, prices for platinum and palladium are fluctuating around US$1,100/oz. and US$315/oz., respectively.

During 2006, little or no exploration activity was undertaken on existing projects in the Peter Lake Domain.

8.0 RARE EARTHS

8.1 Hoidas Lake Property

Great Western Minerals Group Ltd. (100%)

The Hoidas Lake property, located about 60 km northeast of Uranium City, has been increased to 10 188 ha (from 6389 ha reported in 2005) to cover a 12 km long belt of over 30 rare element showings. The property lies less than 10 km west of the regional-scale Black Bay Fault and contains a number of mylonite zones within granitic, tonalitic, and migmatitic gneisses. The main target of exploration continues to be the JAK Zone, near the north end of the belt (Figure 7). Based on 92 drill holes, the mineralized zone has been extended to 750 m in length and to a depth of 150 m and averages about 40 m in width. The zone is still open along strike and at depth. A number of other targets along the belt have only received minimal exploration thus far.

In the fall of 2005, GWM contracted Wardrop Engineering Inc. of Ontario, to prepare an NI 43-101 compliant resource estimate of the JAK Zone based on all data available at that time (70 drill holes and surface trenching). Wardrop released their report in March 2006. Based on a 1.5% total rare earth element (TREE) plus Yttrium cut-off grade, they calculated a measured resource of 123 000 t grading 2.466 wt. % TREE + Y (2.956% total rare earth oxides, TREO, plus Y), with an additional indicated resource of 430 000 t at 2.305 wt. % TREE + Y (2.762% TREO + Y), and an inferred resource of 812 000 t at 2.039 wt. % TREE + Y (2.445% TREO + Y). With the JAK Zone still open along strike and at depth, Wardrop also recommended that further delineation drilling be carried out at the north end where initial drilling had indicated significant vein thickness. They also recommended that GWM continue on their course of pre-feasibility and feasibility studies to determine the best metallurgical methods to use in processing the Hoidas mineralization.

In anticipation of Wardrop's recommendation for further drilling, GWM completed a 22 drill hole program totalling 2233 m on the northern extent of the JAK Zone during the winter of 2005-06. This drilling covered 325 m of strike length and encountered multiple parallel and sub-parallel mineralized veins having good widths and grade to depths of 125 m below surface. Examples from the drilling include the following intersections: from hole HL06-72, 9.80 m true width at 2.25% TREO including 5.10 m at 3.51%

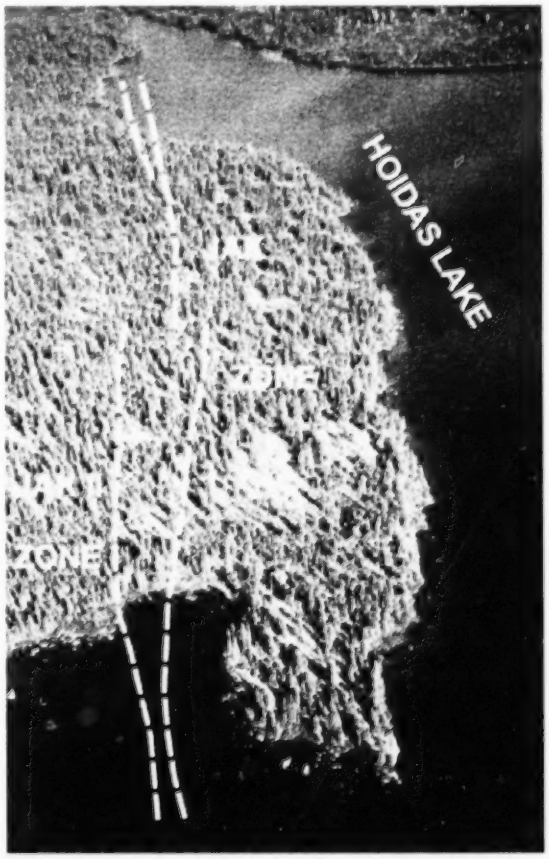


Figure 7 – Aerial view of the JAK Zone showing the surface projection of the principal mineralized zones. Courtesy of Great Western Minerals Group Ltd.

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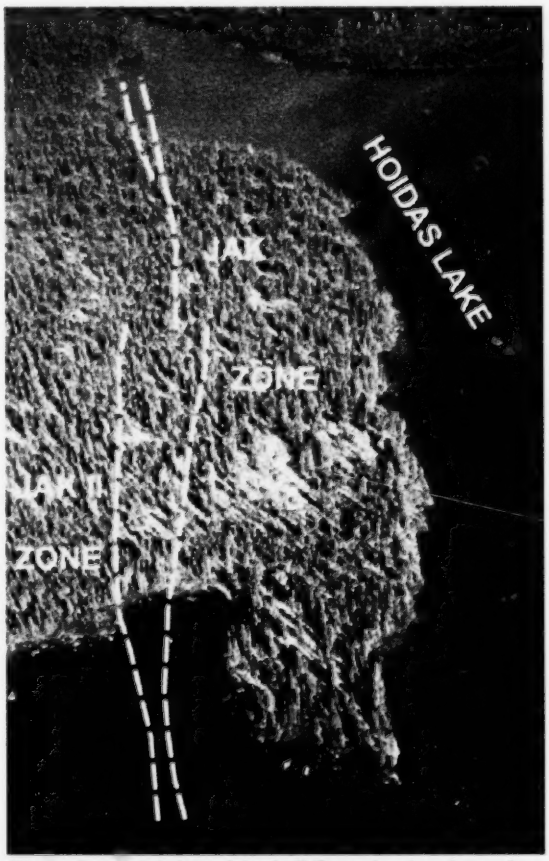

Figure 7 – Aerial view of the JAK Zone showing the surface projection of the principal mineralized zones. Courtesy of Great Western Minerals Group Ltd.

TREO at a depth of 25 m from surface; hole HL06-76, 9.01 m at 4.48% TREO including 6.40 m at 5.51% TREO at a depth of 30 m and 5.49 m at 1.86% TREO at a depth of 45 m; the deepest of three intersections in hole HL06-82 contained 3.23 m at 6.65% TREO at 65 m depth; hole HL06-83, 12.86 m at 2.49% TREO, including 7.28 m at 3.36% TREO at 50 m depth; and the deepest of three intersections in hole HL06-85 contained 16.77 m at 2.01% TREO at 125 m depth. The results from this drilling will be provided to Wardrop Engineering to calculate a revised NI 43-101compliant resource estimate for the JAK Zone.

In late 2005, GWM created a 100% owned subsidiary, Great Western Technologies Inc. (GWT) to focus on the metallurgical aspects of the deposit, process design, and to identify suitable products for the rare earth market. In order to get into the North American specialty metals market place, GWT acquired and now operates a specialty metals manufacturing plant in Troy, Michigan, USA. They produce and supply NiMH, hydrogen storage materials, and superalloys to high technology, alternative energy, and aerospace industries. This will also provide GWM with an operating processing facility for Hoidas Lake ore if the project proceeds to production. GWT has contracted Melis Engineering Ltd., of Saskatoon, Saskatchewan to carry out the metallurgical processing design for the Hoidas Lake mineralization. This work is being done at the Center for Advanced Mineral and Metallurgical Processing facility in Butte, Montana, USA.

In September 2006, GWM announced that they had engaged Kazuo Machida to consult for them with respect to the Japanese rare earth element market. This could be a significant market as China, which controls 97% of world rare earth production, has recently announced restrictions on exports of rare earth products outside of China.

9.0 DIAMONDS

9.1 Overview

In 2006, diamond exploration expanded significantly beyond the Fort à la Corne District to include major exploration plays in southern and southwestern Saskatchewan, around the Primrose Air Weapons Range in west-central Saskatchewan, between Amisk Lake and Cumberland House in east-central part of the province, and in the Foster Lakes region on the Precambrian Shield. Total expenditures in the Fort à la Corne district alone are expected to be about $85.3 M in 2006, up 60% from the $55.4 M spent in 2005. Advanced programs include: 1) Shore Gold's continued pre-feasibility study of the Star Kimberlite, with further underground bulk sampling, large-diameter drilling and core drilling; and 2) on the FALC-JV property a stepped up program of exploration, valued at $43.2 M on the 'Orion Cluster' of eight kimberlites. This latter program included core drilling and large-diameter drilling (1.2 m diameter) on the Orion Cluster, and core drilling on Star West. The program proceeded with mutual agreement of the joint venture partners despite litigation initiated by De Beers Canada Exploration Inc. against the voting proxy arrangement made by Shore Gold with FALC-JV partners Cameco and UEM. The initial litigation was dismissed by the court as was a subsequent appeal made by De Beers. In late September 2006, Shore Gold announced that, through Kensington Resources Ltd., their wholly owned subsidiary, they had purchased De Beers 42.245% participating interest in the FALC-JV property for $180 M cash. In addition, they purchased the participating interests held by Cameco (5.51%) and UEM (10%) for $23.5 M and $42.6 M respectively. They then sold a 40% participating interest in the joint venture to Newmont Mining Corporation of Canada Ltd. for $170.4 M. As a result of these transactions, Kensington acquired an additional 17.755% interest in the FALC-JV for effectively $75.7 M, bringing its total interest to 60%. Kensington is now the operator of the FALC-JV property.

Forest Gate Resources carried out diamond drilling on a number of geophysical targets on their Southside property, but didn't intersect any kimberlites. They also continued work on the extensions of FALC kimberlites onto their East and West side properties. Great Western Diamonds continued exploring their Candle Lake kimberlites and initiated a new exploration program in west-central Saskatchewan both north and south of the Primrose Air Weapons Range.

In southern Saskatchewan, Madison Exploration Inc. identified a number of potential targets and completed two drill holes in their Val Marie project area. Shear Minerals Ltd. (Shear) acquired approximately 300 000 ha along the Saskatchewan–USA border in areas identified by previous government kimberlite indicator mineral (KIM) surveys to contain anomalous concentrations of KIM. Shear has carried out additional sampling in this region.

A recently completed and released, provincially funded, airborne magnetic and radiometric survey along part of the Wollaston Domain in northern Saskatchewan identified several Keating anomalies, which might have a kimberlite source. The areas surrounding these anomalies in the Foster lakes area have been staked by Forum Uranium and De Beers.

9.2 Star Kimberlite Project

Shore Gold Inc. (100%).

The Star Kimberlite, located at the southeast end of the Fort à la Corne kimberlite field (Figure 8), consists predominantly of pyroclastic crater-facies rocks covering a footprint area of approximately 200 ha and ranging from 3 m to more than 607 m thick. Five eruptive events are recognized within the Star kimberlite, which deposited volcaniclastic kimberlite in Cretaceous Cantuar, Pense, and Early, Middle and Late Joli Fou time. Early Joli Fou kimberlite is volumetrically the most-significant unit, and the underground bulk sampling focussed primarily on this unit in the area where its depth extent led to recognition of an Early Joli Fou feeder vent. The underground bulk sampling and pre-feasibility core drilling have identified two dominant facies within the Early Joli Fou kimberlite, pyroclastic and breccia facies, which are interlayered. Significant tonnages of both facies have been collected during the Phase 1 and 2 bulk sampling programs.

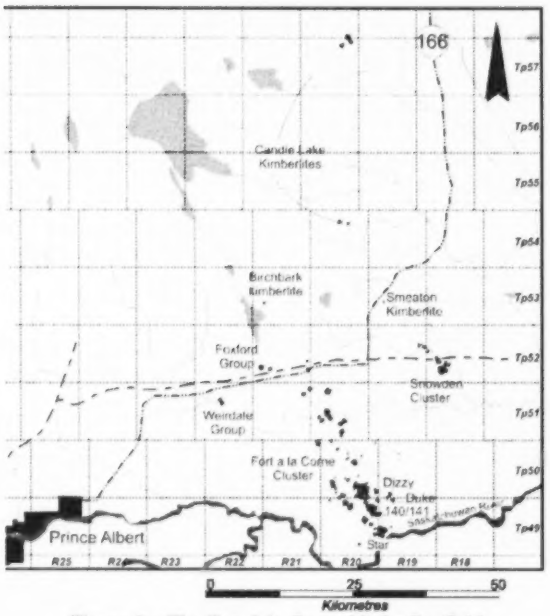

Figure 8 – The Fort à la Corne kimberlite field.

In February 2006, Shore commissioned a valuation study on a total diamond parcel of 5,949.88 carats by three companies, R. Steinmetz and Sons N.V., Rio Tinto Diamonds N.V., and WWW International Diamond Consultants Limited (WWW). The average of their valuations was US$102 per carat. Separate valuations were conducted by WWW on diamond parcels from each of the two Early Joli Fou kimberlite facies. A 1992.60 carat parcel from the kimberlite breccia facies returned a modelled value of US$173 per carat, lying between a minimum of US$147 and a maximum of US$218 per carat. A 2999.08 carat parcel from the pyroclastic kimberlite facies gave a modelled value of US$112 per carat, with a low of US$95 and high of US$133 per carat. The modelled value for the combined Early Joli Fou was US$130 per carat (taken as 70% pyroclastic and 30% breccia facies). Three of the six highest value diamonds came from the Early Joli Fou kimberlite breccia, with the best, a 4.06 carat diamond, having a value of US$3,110 per carat. A 5.41 carat stone from the pyroclastic kimberlite had a US$4,400 per carat value, and a 4.77 carat stone from the Cantuar kimberlite was valued at US$3,430 per carat. WWW also valuated a 572.29 carat parcel from the Cantuar kimberlite and determined a value of US$145 per carat. Further bulk sampling of the Cantuar kimberlite was required to increase the confidence in the per carat price estimate.

In April 2006, as part of their continuing pre-feasibility study, Shore had begun a Phase 3 underground bulk sampling project and a surface infill drilling program. The 2006 exploration budget had been increased to $60 M to accommodate Phase 3 work. Phase 3 underground was designed to obtain bulk samples of the Cantuar and Pense kimberlites. Previous drilling had indicated that the Pense and Cantuar kimberlites underlie the Early Joli Fou to the east and southwest, respectively, of the shaft (Figure 9). Both kimberlites contain coarse olivine macrocrysts, abundant mantle minerals and xenoliths (eclogite

Figure 9 – Aerial view of the Star property looking northwesterly from the Saskatchewan River to the Orion Cluster in the far background. The settling ponds in the left centre lie southeast of the DMS processing plant (long white building) and headframe behind. The northwest-trending ravine separates drill sites on the east and west sides of the Star kimberlite. Courtesy of Shore Gold Inc.

and peridotite), and minerals and textures characteristic of prospective kimberlites. A ramp was being excavated from drift South 16 on the 235 m level to the 215 m level to complete eastward drifting out to the Pense kimberlite. Drifts South 9 and 11 will be extended south-westward out into the Cantuar kimberlite. Underground development and bulk sampling was delayed until approval could be obtained from the joint venture partners.

The core drilling of some 30 holes was to fill in an information gap within and adjacent to a ravine (Figure 9) about 600 m east of the shaft and also to locate a possible Pense feeder vent. Six holes will be drilled on the east side of the Star Kimberlite to determine kimberlite volumes in that part of the body. Another aspect of the pre-feasibility study is completion of 60 large-diameter drill (LDD) holes, 1.2 m in diameter, to obtain additional mini-bulk samples of the Early Joli Fou kimberlite from areas surrounding the underground development. The LDD holes are drilled using two Bauer BG36 drill rigs. They use Kelly-bar drilling for the overburden and switch to reverse circulation when kimberlite is intersected. The holes are spotted within 3 m of core holes that have been logged in detail. All underground and LDD samples are processed in the on-site Dense Media Separator plant from which concentrates are batch-fed through an X-ray Flow-sort. Tailings from the Flow-sort are further processed over a grease table to ensure recovery of low luminosity diamonds. Concentrates from these two procedures are then sent to SGS Lakefield Research for final diamond recovery, description, and weighing.

By mid-May, the final results from the Phase 2 underground bulk sampling program were known. A total of 18 272 t of kimberlite were collected, from which 19,918 diamonds weighing 3,016 carats were recovered. In the last 22 batches sampled, the six largest diamonds were 8.23, 6.37, 5.86, 5.25, 5.04, and 4.86 carats. The average grade of the Phase 2 samples was 16.51 carats per hundred tonnes (cpht), which compares well with the 16.32 cpht grade obtained from Phase 1.

In mid-June, the first set of results from Phase 3 underground work were released. A total of 1908.92 dry t of kimberlite were collected, from which 1,858 diamonds were recovered, totalling 334.43 carats, with an average grade of 17.52 cpht. Four of the eight batches reported were from the ramp from the 235 m level to the 215 m level and sampled Early Joli Fou kimberlite. The four largest diamonds were from the first two batches along the ramp, with three of the four diamonds being from the second batch; they were 6.83 carats in batch 152 and 14.86, 8.68, and 6.36 carats in batch 153. The other four batches were from the South 11 drift and included two possible Cantuar kimberlite samples. Lower grades (11.50 and 11.47 cpht) in these samples were believed to be due to dilution from greater proportions of finer grained pyroclastic kimberlite.

In mid-August, the first results from the LDD program were available on 15 of the first 18 holes attempted. The first test hole only sampled 4 m of kimberlite and was not processed. Holes 10 and 11 were not completed. The holes provided 2249.03 dry t of Early Joli Fou kimberlite, from which 2,353 diamonds, exceeding 1.18 mm square mesh size, weighing 263.93 carats were recovered. An additional 142 diamonds, weighing 2.40 carats, of +0.85 to 1.16 mm size were also obtained. The average grade for the 2,495 diamonds recovered from the 15 holes was 11.84 cpht, which is in line with previous grades obtained for a sample of this size. The four largest diamonds recovered were 10.05, 6.20, 4.82, and 2.99 carats. Results of samples obtained from the other kimberlite phases will not be released until sufficient volumes have been sampled.

In early September, the second set of results from the Phase 3 underground sampling provided 2139.57 dry t of kimberlite material from which 2,856 diamonds weighing 340.42 carats were recovered. An average grade of 15.91 cpht was calculated for the eight batches. Six of the batches are from the ramp and sample Early Joli Fou kimberlite, whereas the other two are from the south extension and includes one Cantuar sample. The Cantuar sample had the best individual grade of 19.12 cpht. The four largest diamonds from this set of results are 10.26, 6.62, 3.77, and 3.53 carats. The underground development has reached the Pense kimberlite and sampling has commenced. Further underground sampling of the Cantuar will be completed on the west side of the claim boundary in the Star West portion of the body.

By mid-October 2006, Shore had obtained a geological modelling size estimate of the Star Kimberlite, including both its 100% owned property and the portion that falls on the FALC-JV property. The Star Kimberlite contains 275.80 M t of kimberlite to a depth of 350 m below surface including all facies and reworked kimberlite debris flow deposits. The Early Joli Fou kimberlite forms nearly 60% of the total volume and together with the Middle Joli Fou, their feeder vents are known to extend to more than 600 m below surface. This estimate will be further refined as more data is added to the model and will lead to completion of a NI 43-101 compliant resource estimate in 2007.

Also in October, Shore announced further diamond results from a clean-up of Phases 1 and 2 underground samples and from Phase 3 underground bulk sampling. A 1634.94 dry t sample of combined Phase 1 and 2 underground bulk sample stockpile areas, yielded 466 commercial sized diamonds (>1.18 mm) weighing 103.17 carats. The four largest diamonds in this sample included 19.58, 15.30, 3.97, and 3.30 carat stones. In total, nine diamonds greater than one carat were recovered. The 19.58 carat stone is a broken octahedron crystal, which is believed to have originally been 24.50 carats. A 2.47 carat pale pink stone was also recovered from this batch. A grade for this batch was not deemed appropriate because about 75% of the sample consisted of surface sand.

The third set of results from seven batches of Phase 3 underground bulk sampling provided 1989.40 dry t of kimberlite, from which 2,710 commercial sized stones (>1.18 mm) were recovered. They weighed 317.4 carats, with the four largest diamonds being 15.85, 4.64, 4.61, and 3.73 carats. An additional 170 diamonds (2.85 carats) were also recovered down to 0.85 mm square mesh size. Six of the batches sampled Early Joli Fou kimberlite from the ramp to the 215 m level and one sample of Middle Joli Fou was collected from south of the shaft. Four smaller samples collected from safety bays along drift South 16 were combined into a single batch. The six Early Joli Fou samples ranged from 12.49 to 20.40 cpht, whereas the Mid Joli Fou sample graded 5.74 cpht. Over 10 000 t of kimberlite from Phase 3 have now been processed at the on-site plant and another nine batches have been sent to SGS Lakefield Research for final diamond recovery.

9.3 Fort à la Corne Joint Venture (FALC-JV)

Kensington Resources Ltd., a subsidiary of Shore Gold Inc. (60%) and Newmont Mining Corporation of Canada Ltd. (40%).

The joint-venture property covers 64 drill-tested kimberlite bodies (Figure 8) ranging in aerial extent from 2.7 to 250 ha, based on geophysical modelling. The larger kimberlite bodies are commonly composite in nature and made up of multiple eruptive phases of mainly pyroclastic crater-facies deposits. Some $30 M has been spent over the past 15 years exploring the kimberlites within the FALC-JV property. During the past year, total exploration expenditures more than doubled with a projected budget of $43.2 M to be spent. Exploration activity over the past few years has focussed on higher priority kimberlites, including the 140/141, 148, and 122 kimberlites. The new focus is on a cluster of eight kimberlites, now referred to as the Orion Cluster as well as the Star West portion of the Star Kimberlite (Figure 10). The biggest change during the current year was the change in ownership of the FALC-JV in September, as described above.

The 2006 exploration program was to include: 300 core holes on the Orion Cluster, Star West, and selected FALC-JV kimberlites; 12 LDD holes within the Orion Cluster, and investigation of acquiring a 50 t per hour Dense Media Separation (DMS) sample processing plant for the joint venture. The FALC-JV program has been revised in November 2006 by the new joint partners, Kensington and Newmont.

The Orion Cluster comprises eight defined kimberlites, which, based on interpretation of airborne geophysics, Shore geologists believe coalesce to form a 7 km-long zone of kimberlite. From south to north the kimberlites include: Orion South – kimberlites 140/141 and 133; Orion Centre – kimberlites 145 and 219; and Orion North – kimberlites 120, 147, 148, and 220. The cluster represents a potentially large mass of prospective kimberlite. The exploration work is intended to provide sufficient data on all of the kimberlites by year end in order to better evaluate the direction of future work.

Phase 1 of the Orion Cluster program includes: 220 PQ drill holes totalling 50 000 m on a staggered 200 m grid over the cluster in areas where current estimates indicate more than 50 m of kimberlite thickness; and 12 LDD holes for 3000 m to target macrodiamond recovery in units identified by Phase 1 drilling and previous work. The core holes will be subject to detailed geological and geotechnical logging, whole-rock geochemistry, down-hole geophysics, microdiamond analysis, and geohydrological studies. Approximately 3750 t of kimberlite are expected to be recovered as mini-bulk samples from the LDD holes. Based on positive results from Phase 1, an additional 40 PQ holes (8000 m) will be drilled to provide more detailed delineation of potentially economic kimberlite units.

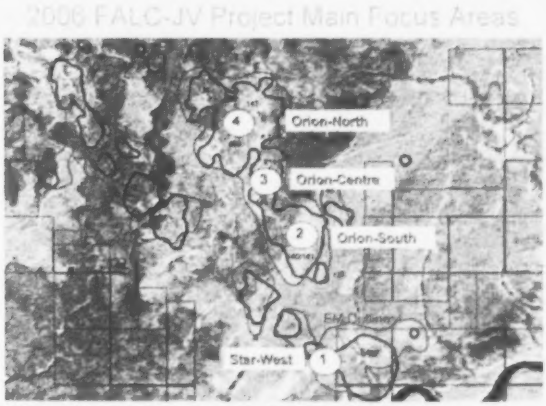

Figure 10 – False colour satellite image of the Star Kimberlite – Orion Cluster area showing the outline of the Orion Cluster. Courtesy of Shore Gold Inc.

Star West core drilling, which began in March 2006, was to include 18 PQ size holes (4000 m), underground delineation drilling, and possibly underground bulk sampling of Cantuar kimberlite.

In June, Shore announced microdiamond results from the 2005 core-drilling program on 18 different kimberlites extending from Star West in the south, to kimberlite 158, 15 km to the northwest. A total of 12.84 t of kimberlite was obtained from 140 HQ (63.5 mm) core holes, from which 10,328 microdiamonds (0.075 mm cut off) were recovered at Saskatchewan Research Council's Saskatoon laboratory

using caustic dissolution methods. The results are given as stones per tonne and showed that the Orion Cluster and Star West all gave encouraging values. The best was kimberlite 147, which is in the north part of Orion, having a value of 4,458 stones per tonne and contained 45 macrodiamonds (>0.5 mm to 1.18 mm).

9.4 Candle Lake Project

Great Western Diamond Corp. (100%).

The Candle Lake project is focussed on the C28 and C29/30 kimberlites. During the winter of 2005-06, Great Western Diamonds (GWD) completed a 2186 m, nine hole, NQ-size drilling program on kimberlite C28. Most of the holes had multiple kimberlite intersections ranging from 4.7 to 111.0 m in thickness. The drilling has extended the kimberlite in all directions and is still undefined to the north and south. GWD reports the presence of coarse-grained kimberlite facies around a central vent area, which contains abundant indicator minerals suggestive of a highly prospective kimberlite. Deeper drilling along the northern side of the kimberlite identified some new kimberlite horizons that hadn't been intersected in previous drilling. In addition to detailed core logging, select samples will be sent for indicator mineral analysis and for diamond recovery at Saskatchewan Research Council.

In May, GWD announced plans for a $22 M integrated core drilling, mini-bulk sampling, and pre-feasibility–style investigations program for the C29/30 kimberlite to be completed over a two-and-a-half-year period, beginning during the 2006 summer. The goal is to determine whether C29/30 has the economic potential to carry the program to the next stage of obtaining a large tonnage bulk sample to complete a NI 43-101 compliant resource calculation.

9.5 East Side, West Side, and South Side Diamond Properties

Forest Gate Resources Inc. (100%).

Forest Gate continued work on these three properties during 2006, but apparently has not done any additional work on the Dizzy or Duke kimberlites that they discovered east of Star Kimberlite. Following delineation of 13 airborne electromagnetic anomalies on their 52 000 ha South Side Property, Forest Gate announced plans in March 2006 to undertake a 10 hole, 2500 m drill program on 10 of the targets south of the Saskatchewan River. The geophysical targets are said to compare favourably with several of the FALC kimberlites. In July, Forest Gate reported that they were suspending drilling after completing six holes to test these anomalies. The vertical PQ-sized holes ranged from 281 to 308 m in depth, and none had intersected kimberlite. The company is evaluating the information they obtained to determine what further work might be warranted.

In December 2005, Forest Gate reported recovering 55 diamonds from 110 kg of garnet- and xenolith-rich kimberlite from drill hole FG05-29, which tested the eastern extension of FALC kimberlite 121 located on the western boundary of their East Side property. Two additional vertical PQ holes were drilled during 2006 and located 75 m north (FG06-30) and 100 m south (FG06-31) of hole FG05-29. Hole FG06-30 intersected 23.2 m of continuous kimberlite, whereas FG06-31 intersected 19.3 m of kimberlite separated by a thin mudstone horizon. Diamond recovery results for the two holes are not yet available.

On the West Side property, which adjoins FALC kimberlite 122, Forest Gate had completed a single vertical PQ core hole, FG06-32, by August 2006. This hole, drilled near the mutual claim boundary, intersected 11.8 m of kimberlite at a depth of 154.8 m. A second hole was to be spotted 100 m to the north. The core will be logged and sampled for diamonds.

9.6 Big River Diamond Property

Goldsource Mines Inc. (90%).

Goldsource acquired a 458 000 ha property extending northwest from the original Sturgeon Lake kimberlite to Cowan Lake. They contracted Fugro Airborne Surveys to complete a 3900 line-kilometre airborne geophysical survey over the Sturgeon Lake block of the property. From this data, they have selected 17 targets for follow-up drilling mostly on new targets that display similar geophysical signatures to FALC kimberlites. Four drill holes are slated to re-test previously identified kimberlites. Fugro has been contracted to fly an additional 11 825 line kilometres in three separate areas. In June, Goldsource announced that they had begun a 2500 m drill program on the

Sturgeon Lake part of the Big River property. The Sturgeon Lake kimberlites discovered by Monopros in 1988 were found to be very large, glacially transported blocks of kimberlite whose source is unknown.

9.7 Centennial Diamond Project

Great Western Diamonds Corp. (100%).

Following an evaluation of public domain and internally generated kimberlite indicator mineral surveys which suggested that indicator mineral trains could have their source in the region of the Primrose Lake Air Weapons Range in west-central Saskatchewan, GWD acquired 588 000 ha (383 claims) in two blocks on the north and south flanks of the Air Weapons Range. The North Centennial Property includes a smaller area covered by an airborne magnetic survey flown by Goldak Airborne Surveys in January 2006. Six shallow magnetic targets similar in size and general signature to FALC kimberlites were identified. Both the North and South Centennial properties have provincial road access to assist exploration activities. Follow-up ground geophysics to better characterize the anomalies could lead to core drilling of the anomalies.

9.8 Bronco, Val Marie, Wood Mountain, Big Blu, and Bull's Eye Properties

Madison Explorations, Inc.

Madison Explorations holds a number of claims in southern and southwestern Saskatchewan, which were staked on the basis of positive historic provincial and federal government kimberlite indicator mineral surveys. In January 2006, Madison announced that it had defined three high-priority targets for drilling on the Bronco and Val Marie properties. Madison had provided Echo Resources Ltd. with a 15% interest in the Bronco property for $50,000 until September 30, 2006. In February, they announced further delineation of three additional Keating anomalies on the two properties based on existing geophysical data. In August, Madison reported preliminary results from two drill holes (about 200 m) at the Val Marie property. Neither hole intersected kimberlite, but the company was encouraged by the presence of igneous minerals in both holes.

The Wood Mountain North Property has abundant kimberlite indicator minerals based on previous surveys. It also has an isolated magnetic anomaly. In May, Madison entered into an option agreement with Cobra Energy Inc. for a 15% interest in this property for US$50,000.

The Big Blu anomaly is described as a very strong negative Keating anomaly, which appears to fit a pipe model. A single line of ground magnetics confirmed the presence of the anomaly. The Bull's Eye target, located near the town of Herbert, has a ground and airborne geophysical signature that suggests the presence of a 3 km diameter intrusive body at depth. Although this indicates a target far larger than is characteristic for kimberlites, Madison is looking into other possible exploration plays related to the target.

9.9 Stella Polaris Diamond Project

Shear Minerals Ltd.

In April 2006, Shear Minerals announced the acquisition of 235 mineral claims totalling about 300 000 ha in southern Saskatchewan along the border with the USA. The claims cover areas in which coarse-grained kimberlite indicator minerals had been previously identified in government surveys, most notably in the Wood Mountain area. A proposed exploration budget of $250,000 had been allocated for the project and was to include detailed indicator mineral sampling. In October, Shear announced preliminary results from their indicator mineral sampling program. From 25 surface samples they recovered 6,819 kimberlite indicator minerals ranging from one grain per sample to a high of 1,218 grains per sample. The samples are generally dominated by purple pyrope garnet, but also contain orange garnets, ilmenite, chromite, and chrome diopside. The highest pyrope count was 817 grains in sample 06S007 and which contained 43 grains that were in the 2 to 3 mm size fraction. The highest concentration of indicator minerals occurs near the centre of the property and decreases to both the east and west. All samples were processed and minerals picked at Mineral Services Canada in Vancouver, B.C. Additional detailed surface sampling along with prospecting and ground geophysics were to start in mid-October.

10.0 INDUSTRIAL MINERALS
10.1 Overview

Industrial minerals are a substantial component of the non-renewable resource sector in Saskatchewan (Figure 3). They have consistently accounted for between 20 and 50%, and up to 80%, of the gross value of provincial mineral production during the past 30 years. Not including coal, the four major products are potash, salt, sodium sulphate, and aggregate, with minor production in structural clay, silica sand, clinker (a naturally fired brick made from mudstone), and bentonite. Potash production from eight underground operations and two solution mines set an all-time high in 2004 at 15.8 M t, an increase of nearly 10% from 2003 (14.4 M t). Production in 2005 increased a further 5% over 2004 to approximately 16.7 M t. The total value of industrial mineral production in 2004 was $2.2 B and increased to more than $2.7 B in 2005.

10.2 Potash

At the end of January 2006, eight new Subsurface Mineral Permits were issued for potash exploration. These permits represent the start of the first new exploration for potash in over two decades. A joint venture between Prairie Potash Corp. and Statebanke Potash Corp. holds seven permits totalling 542,638 acres; Invictus Minerals Corp. holds one totalling 97,240 acres. Since January, an additional eight permits have been issued and more are pending. As of May 2006, Anglo Minerals Ltd. and its 100% owned subsidiary, Prairie Potash Corp., held 10 permits totalling 766,826 acres within 160 km of Saskatoon.

10.2.1 Jansen Lake Project

Anglo Minerals Ltd., operator, Prairie Potash Corp. (85%) and Statebanke Potash Corp. (15%).

In May 2006, Anglo Minerals was in the process of completing a 3-D seismic survey over its Jansen Lake Project area near the Lanigan potash mine. In early June, Anglo announced, that through its wholly owned subsidiary Prairie Potash Corp. (PPC), it had entered into a joint venture agreement with BHP to carry out further investigation of the Jansen project. Under the agreement, BHP will pay PPC $3.8 M initially and can earn up to a 60% interest in the project by spending $40 M over the next 5.5 years to complete exploration on the project and produce a feasibility study of the site. BHP will be operator of the joint venture and upon completion of the venture will pay Anglo an additional $10 M. Anglo has also contracted Wardrop Engineering to do a scoping study of the Jansen Lake area and investigate the cost of building a 2 M t per year potash mine.

10.3 Kaolin
10.3.1 Gollier Creek Deposit

Whitemud Resources Inc. (100%).

Whitemud Resources Inc. holds quarrying leases over the Gollier Creek kaolin deposit (Figure 11), near Wood Mountain. Previous operators had outlined 400 M t of kaolin-rich sandstone in the Cretaceous Whitemud Formation in four deposits in the Wood Mountain area. The company is focussed on the production of meta-kaolin as a cement substitute. It imparts higher strength and lower permeability to the concrete and mitigates the detrimental effects of

Figure 11 – Gollier Creek kaolin deposit, looking north. Test quarry is behind the outcrops in foreground and stockpiled kaolin is in centre of photo.

alkali-silica reaction. Whitemud plans to offer meta-kaolin in the marketplace at a price that will make substitution for cement powder much more competitive. Whitemud has also identified other potential western Canada markets for kaolin in fibreglass, rubber, plastics, and as a raw ingredient for ceramic proppant media, and roofing shingle granules.

During the summer of 2006, Whitemud obtained environmental approvals for its project, carried out an undisclosed amount of drilling on the Gollier Creek deposit, and was continuing negotiations with local and provincial governments for infrastructure upgrades in the region. In September, Whitemud held a sod-turning ceremony at its Gollier Creek site, near the village of Wood Mountain, to announce its plans to construct a $50 M meta-kaolin processing plant and open pit kaolin mine. The event was attended by about 400 residents from the surrounding towns and villages. Construction on the site has commenced and Whitemud hopes to have the plant in operation by the second half of 2007.

10.4 Coal
10.4.1 Bow River Coal Project

Santoy Resources Ltd. (100%).

The Bow River Coal Project, encompassing 9600 ha, is located west of Lac La Ronge and east of Highway 2, about 21 km south of the town of La Ronge. The Bow River coal field was investigated in the mid-1970s by Brascan Resources Limited who completed 72 drill holes and identified a potential open pit geologic resource of 88.8 M tons of shallow lignite A coal, which is suitable for thermal power generation. The area of the field was defined as 11 km long by 4.5 to 6.5 km wide. In May 2006, Santoy reported completing 16 vertical HQ diamond drill holes totalling 501 m with the intention of verifying coal and overburden thicknesses as well as providing samples to test the thermal properties of the coal. Coal was intersected in 11 of the holes, two were terminated because of drilling problems and three did not intersect coal as they were spotted beyond the erosional edge of the coal. Numerous coal seams were identified; for example, hole SanBrc-06-013 intersected eight seams ranging from 10 cm to 3.8 m in thickness. Santoy reports that the basal and thickest seam is the most laterally persistent. Results from the drill program will determine what further exploration is warranted.

11.0 ACKNOWLEDGMENTS

Personnel at Cameco Corporation, Claude Resources Inc., AREVA Resources Canada Inc., Golden Band Resources Inc., Hudson Bay Mining and Smelting Co. Ltd., and Shore Gold Inc. are thanked for contributions and/or reviews.

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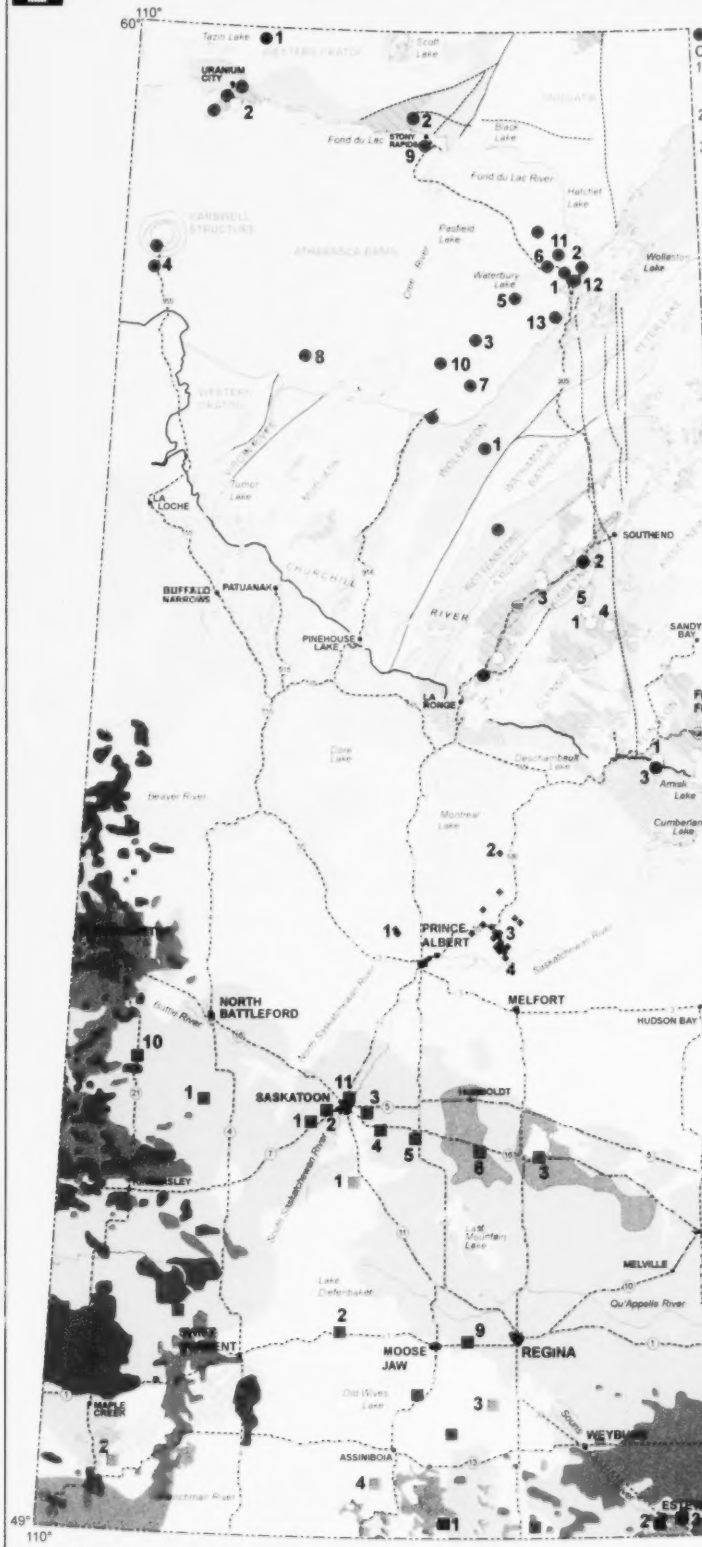
MINERAL RESOURCE MAP OF SASKATCHEWAN 2006



KEY TO NUMBERED MINES AND DEPOSITS

URANIUM

Operating Mines

1. McClean Lake Mine (North and South deposits: Sue A, B, C, and E deposits; AREVA Canada Resources Inc., 70%; Denison Mines Ltd., 22.5%; OURD [Canada] Co. Ltd., 7.5%)
2. Eagle Point Mine (Cameco Corp.); ore processed at Rabbit Lake Mill
3. McArthur River Mine (P2N Zone deposit; Cameco Corp., 69.805%; AREVA Canada Resources Inc., 30.195%); ore processed at Key Lake Mill

Locations Referenced in Text

4. Shea Creek
5. Cigar Lake Mine
6. Midwest desposit
7. Moore Lake showing
8. Centennial
9. Black Lake
10. Millenium deposit
11. Dawn Lake deposit
12. Horseshoe and Raven deposits
13. West Bear deposit

Deposits and Past-Producing Mines

GOLD

Operating Mines

1. Seabee Mine (Claude Resources Inc.)

Location Referenced in Text

2. Goldfields
3. Bingo, Jasper
4. Santoy
5. West Porky

Deposits and Past-Producing Mines

COPPER-ZINC

Operating Mines

1. Callinan Mine (Hudson Bay Mining and Smelting Co. Ltd.)

Deposits and Past-Producing Mines

2. Brabant Lake
3. McIlvenna Bay

COPPER-NICKEL-PGM-GOLD

Rottenstone Past-Producing Mine

Location Referenced in Text

COPPER

1. Janice Lake
2. Axis Lake and Curne Lake deposits

RARE EARTH OCCURRENCE

1. Hoidas Lake

KIMBERLITE OCCURRENCES

1. Sturgeon Lake
2. Candle Lake
3. Fort à la Corne kimberlite field
4. Star Kimberlite

POTASH AND SALT

Operating Mines

1. Vanscoy potash mine (Agrium Inc.)
2. Cory Division potash mine (Potash Corp. of Sask. Inc.)
3. Patience Lake Division potash solution mine (Potash Corp. of Sask. Inc.)
4. Allan Division potash mine (Potash Corp. of Sask. Inc.)
5. Colonsay potash mine (I.M.C. Potash Colonsay NV)
6. Lanigan Division potash mine (Potash Corp. of Sask. Inc.)
7. Esterhazy K-1 and K-2 potash mines (I.M.C. Esterhazy Canada Partnership Ltd.)
8. Rocanville Division potash mine (Potash Corp. of Sask. Inc.)
9. Belle Plaine potash solution mine (I.M.C. Canada Ltd.) and fine salt plant (processes waste salt from potash mine) (Canadian Salt Co. Ltd.)
10. Unity solution salt mine and plant (Sifto Canada Inc.)
11. Saskatoon chloride based chemical plant (Sterling Pulp (Sask) Chemicals Ltd.)

SODIUM SULPHATE AND POTASSIUM SULPHATE

Operating Plants

1. Whiteshore Lake (Palo) sodium sulphate plant (Millar Western Industries Ltd.)
2. Chaplin Lake sodium sulphate plant (Saskatchewan Minerals - A Division of Goldcorp Inc.)
3. Big Quill Lake potassium sulphate plant (Big Quill Resources)

Past-Producing Plants

CLAY RESOURCES

Operating Quarries

1. Saskatoon clay quarry and plant (Cindercrete Products Ltd.)
2. Ravenscrag clay quarry (IXL Industries Ltd.)
3. Wilcox bentonite plant (Canadian Clay Products Inc.)
4. Gollier Creek kaolin deposit (Whitemud Res.)

COAL

Operating Mines

1. Poplar River Mine (Luscar Ltd.)
2. Boundary Dam (Shand, Costello, and Utility) Mine (Luscar Ltd.)
3. Bienfait Mine (Luscar Ltd.)

SILICA SAND

Operating Mines

1. Hanson Lake silica sand deposit (Winn Bay Sand)

LEGEND

- Uranium potential
- Base metal potential
- Gold potential
- Diamond potential
- Major peat resource potential
- Carbon dioxide (CO_2) resource potential
- Oil fields
- Gas fields
- Coal fields
- Potash and salt resource areas
- Carnallitic regions (magnesium)

SYMBOLS

- Edge of Precambrian Shield
- Precambrian domain boundaries and names
- Major bounding shear zones
- Major faults
- Roads
- Cities
- Towns

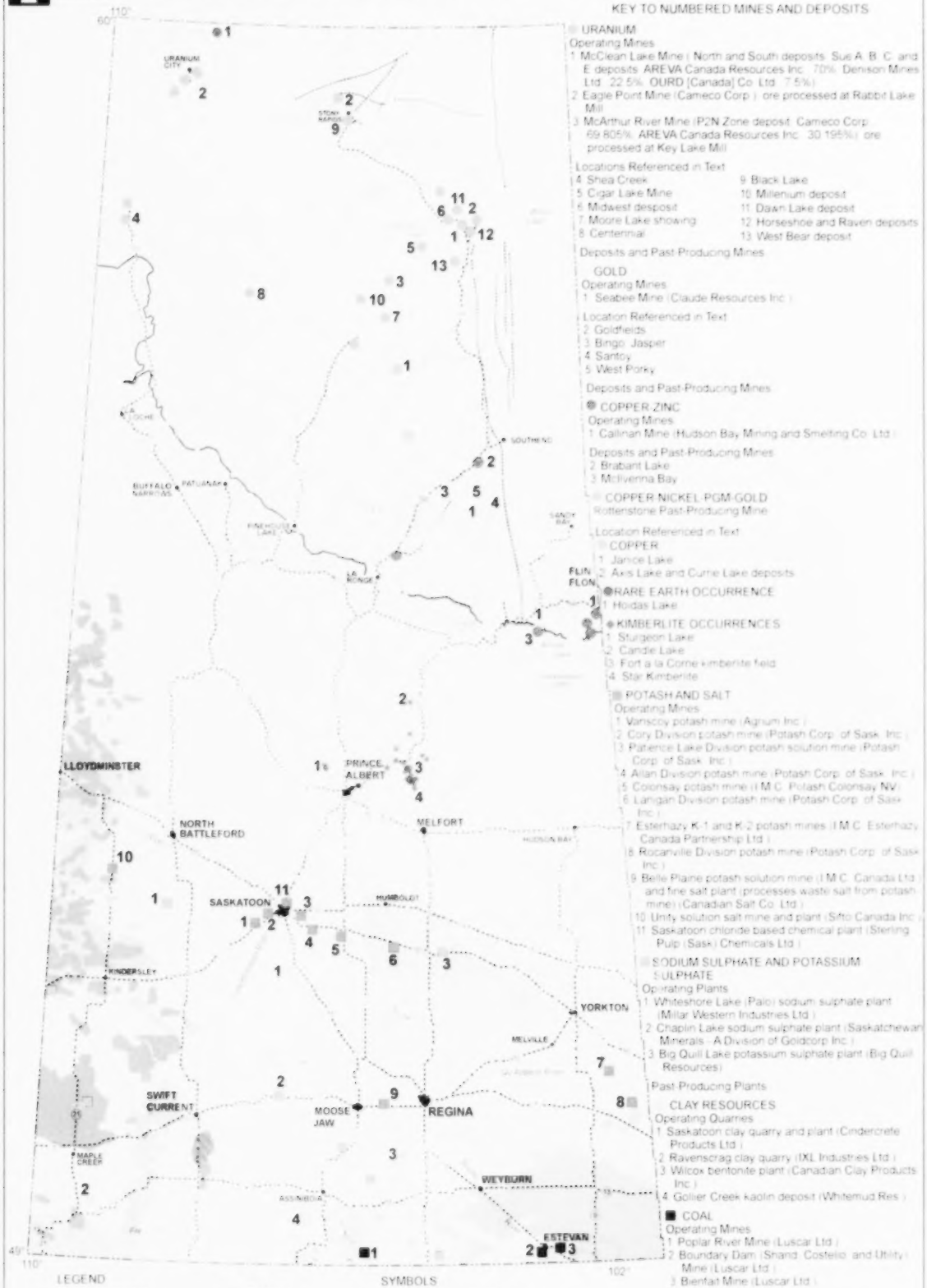
SCALE

25 0 25 50 75 Kilometres

25 0 25 50 Miles

Saskatchewan Industry and Resources

MINERAL RESOURCE MAP OF SASKATCHEWAN 2006



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11 Dawn Lake deposit
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13 West Bear deposit

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Location Referenced in Text

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5 West Porky

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Deposits and Past Producing Mines

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3 McIlvenna Bay

COPPER-NICKEL-PGM-GOLD

Rottenstone Past Producing Mine

Location Referenced in Text

COPPER

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2 Axis Lake and Curre Lake deposits

RARE EARTH OCCURRENCE

1 Hoidas Lake

KIMBERLITE OCCURRENCES

1 Sturgeon Lake
2 Candle Lake
3 Fort a la Corne kimberlite field
4 Star Kimberlite

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6 Lanigan Division potash mine (Potash Corp. of Sask. Inc.)
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Operating Mines

1 Poplar River Mine (Luscar Ltd.)
2 Boundary Dam (Shand, Costello and Utility) Mine (Luscar Ltd.)
3 Bienfait Mine (Luscar Ltd.)

SILICA SAND

Operating Mines

1 Hanson Lake silica sand deposit (Winn Bay Sand)

LEGEND

Uranium potential
Base metal potential
Gold potential
Diamond potential
Major peat resource potential
Carbon dioxide (CO_2) resource potential
Oil fields
Gas fields
Coal fields
Potash and salt resource areas
Carnallitic regions (magnesium)

SYMBOLS

Edge of Precambrian Shield
Precambrian domain boundaries and names
Major bounding shear zones
Major faults
Roads
Cities
Towns

SCALE

25 0 25 50 75 Kilometres
25 0 25 50 Miles